

United Spirits Limited

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6th August 2025

BSE Limited
Listing Department
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001
Scrip Code: 532432

The National Stock Exchange of India Limited
Exchange Plaza, C-1 Block G,
Bandra Kurla Complex,
Bandra East, Mumbai – 400 051
Scrip Code: UNITDSPR

Dear Sirs,

Sub: Notice of 26th Annual General Meeting (AGM) and Integrated Annual Report of the Company for Financial Year 2024-25.

Ref: Compliance under Regulation 30 and 34 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR)]

Please refer our letter dated 20th May 2025, regarding intimation of 26th AGM of the Company to be held on Friday, 29th August 2025 at 3:30 pm (Indian Standard Time), through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM).

In continuation of the aforesaid letter, we hereby enclose the following:

- Notice of the 26th AGM of the Company along with e-voting instructions and brief details of the agenda items proposed to be transacted thereat are given in **Annexure 1**;
- Integrated Annual Report for Financial Year 2024-25, including Business Responsibility and Sustainability Report.

The aforesaid documents are being sent electronically to shareholders whose email addresses are registered with the Company/ Depository Participant.

The Integrated Annual Report along with AGM Notice can also be accessed/ downloaded at <https://www.diageoindia.com/~media/Files/D/Diageo-V2/Diageo-India/investors/financials/results-reports-and-presentations/united-spirits-limited-annual-report-2024-25.pdf>

This is for your information and records.

Thank you,

For United Spirits Limited

MITAL ARVIND
SANGHVI
Digitally signed by MITAL ARVIND
SANGHVI
Date: 2025.08.06 13:16:14 +05'30'

Mital Sanghvi
Company Secretary

Encl: as above



ANNEXURE 1

Date of Notice: 28th July 2025Brief details of resolutions proposed to be transacted at the 26th AGM of the Company

Sl. No.	Resolution	Type of Resolution (Ordinary/ Special)
Ordinary Business		
1.	To receive, consider and adopt Audited Standalone Financial Statements of the Company for the financial year ended 31 st March 2025, and the reports of Board of Directors and Auditors thereon.	Ordinary
2.	To receive, consider and adopt Audited Consolidated Financial Statements of the Company for the financial year ended 31 st March 2025, and the reports of Board of Directors and Auditors thereon.	Ordinary
3.	To declare final dividend of INR 8 per equity share for financial year ended 31 st March 2025.	Ordinary
4.	To appoint a director in place of Mr. Mark Dominic Sandys (DIN: 09543864) who retires by rotation and being eligible, offers himself for re-appointment.	Ordinary
Special Business		
5.	Remuneration payable to M/s. Rao, Murthy & Associates, Cost Auditor of the Company for the financial year ending 31 st March 2026.	Ordinary
6.	Appointment of M/s. Makarand M. Joshi & Co., as Secretarial Auditor of the Company.	Ordinary
7.	Approval of remuneration payable to Mr. Pradeep Jain (DIN: 02110401), Executive Director and Chief Financial Officer of the Company for a period of two years.	Ordinary
8.	Approval of Material Related Party Transactions.	Ordinary



DIAGEO

India

Spirited Progress. *Inspired by Purpose.*



Contents

Diageo India (United Spirits Limited) is among India’s leading beverage alcohol (alcobev) companies with a portfolio of premium brands. A subsidiary of Diageo Plc., it is listed in India on both the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE) as United Spirits Limited (USL). Headquartered in Bengaluru, the Company manufactures, sells and distributes an outstanding collection of iconic Global and Indian brands, blending global expertise with local innovation to deliver world-class products and experiences to consumers.

As USL leads and shapes the future of the alcobev industry in India, we remain equally committed to building a more sustainable, progressive, and inclusive world. Environmental, Social and Governance (ESG) focus is at the heart of our business strategy, as outlined in our ‘Spirit of Progress’ agenda. This agenda is focused on pioneering grain-to-glass sustainability, championing inclusion and diversity, and promoting positive drinking all underpinned by doing business the right way.

Celebrating life, every day, everywhere!

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Building Brands for
Today and Tomorrow



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Building an Organisation
of the Future



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Enriching Customers and
Consumers Experiences



NOTE: All Brand images are solely for showcasing brands, not for advertising them and are intended for those above Legal Drinking Age (LDA)

About the Report

This is the first Integrated Annual Report of United Spirits Limited (USL) (or ‘Diageo India’ or ‘the Company’), developed in line with the guiding principles of the Integrated Reporting <IR> framework overseen by the IFRS Foundation.

USL believes in making disclosures that go beyond the statutory requirements. This report, covering both financial and non-financial performance, presents information on how we run the business and our approach to value creation and key outcomes for the stakeholders. Additionally, we present information on our business model, material matters, risks and opportunities, strategy, governance, performance, and outlook. Such holistic disclosures equip the providers of financial capital and other stakeholders with relevant information for informed decision-making.

Reporting Period and Scope

All the financial and non-financial information presented in the report pertains to USL (unless otherwise stated) for the reporting period April 1, 2024 - March 31, 2025. We provide historical trends, wherever relevant, of the key performance indicators (KPIs), including those relating to ESG metrics, to give readers a complete understanding of our value-creation process.

Reporting Framework, Guidelines and Standards

This report should be read together with the annual accounts (pages 305 to 490) for a complete understanding of our financial performance.

The narrative section of the Report adheres to the International Integrated Reporting Council’s (IIRC) <IR> Framework guidelines. It provides an overview of our performance and business activities.

The statutory sections, comprising the Board’s Report, Management Discussion and Analysis (MDA), Corporate Governance Report, Business Responsibility and Sustainability Reporting (BRSR) and Financial Statements, comply with/ reports on/references the following:

- Companies Act, 2013 and its associated rules
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations of 2015, and the revised Secretarial Standards issued by The Institute of Company Secretaries of India
- Indian Accounting Standards (IND AS)
- National Guidelines on Responsible Business Conduct (NGRBC)
- United Nations Sustainable Development Goals (UN SDGs)

Materiality Determination

We identify and prioritise material issues that may impact our business and stakeholder value by engaging with key stakeholders and business units. These insights help shape strategy and ensure relevance in a dynamic environment.

Assurance

Financial information: The financial statements presented in the Report have been audited by Price Waterhouse & Co Chartered Accountants LLP.

Selected non-financial performance metrics: Reasonable Assurance of BRSR Core Indicators have been provided by Price Waterhouse & Co Chartered Accountants LLP. The scope and basis of assurance are stated in the Assurance report issued by Price Waterhouse & Co Chartered Accountants LLP.

All other financial and non-financial performance information: Internally verified and assured by the Management of the Company.

Forward-Looking Statement

Certain statements in the Report regarding our business operations may constitute forward-looking statements. While these statements reflect our future expectations, it is important to be mindful that some of the risks, uncertainties and other important factors could cause actual results to differ materially from our expectations.



For more information click on the link below
<https://www.diageoindia.com/en/investors>

Our Capitals



FINANCIAL CAPITAL

Refers to the financial resources we generate or raise through external sources, which are strategically and prudently deployed across our operations to create long-term value and deliver returns for our stakeholders.



BRAND CAPITAL

Reflects the strong reputation, consumer trust, and emotional connection that Diageo India enjoys in the market. Our focus on building a portfolio of innovative, premium brands – supported by impactful marketing and brand-building campaigns – continues to enhance our brand perception and strengthen our market position.



MANUFACTURED CAPITAL

Represents our network of plants, equipment, and logistics infrastructure. We continuously invest – both organically and inorganically – to expand our assets and adopt global best practices and technologies. This enables us to produce and deliver high-quality spirits efficiently, safely, and sustainably to our customers and consumers.



INTELLECTUAL CAPITAL

Encompasses our deep expertise in processes, technologies, and the craft of spirit-making that sets us apart in the industry and fuels innovation. We consistently invest in creating disruptive, sustainable products and enhancing our manufacturing, logistics, and sales capabilities. Our ongoing digital transformation is shaping a future-ready organisation.



HUMAN CAPITAL

Represents the passion, talent, and customer-first mindset of our people. We invest in their development and foster an equitable, inclusive, and safe work culture. By encouraging creativity, innovation, and independent thinking, we empower our teams to drive performance and strengthen our position as one of the leading alcobev company.



SOCIAL AND RELATIONSHIP CAPITAL

Represents the trust and long-standing relationships we have built with our stakeholders. Actively engaging with them, addressing their concerns, and fostering long-term partnerships are integral to our business strategy and long-term success. These relationships are essential to upholding our reputation and securing our licence to operate.



NATURAL CAPITAL

Represents the natural resources – such as water, energy, and agricultural inputs – that are essential to our operations, along with the environmental impact of our activities. Through our focus on driving ‘Grain to Glass Sustainability’, we are advancing key environmental goals and ensuring our operations remain responsible and sustainable.



Spirited Progress. *Inspired by Purpose.*

Progress is not just about achieving milestones – it’s about purpose and passion coming together to define our bold journey. It’s the strength of our foundation, the resilience of our people, and the clarity of our vision. It is rooted in values, driven by innovation, and shaped by evolving consumer needs. Through changing landscapes, one thing remains constant: our relentless spirit. To push boundaries. Redefine possibilities. Elevate celebrations. And shape a future inspired by purpose.



Diageo India Footprint

50+	36	2,400+
Brands	Manufacturing Facilities (including third-party*)	People
₹ 20,982 Cr	1,00,000+	Exports to 24 Countries
Contribution to Exchequer	Jobs Created	

Financial Performance (Standalone)

₹ 26,780 Cr	₹ 11,573 Cr	₹ 10,271 Cr
Revenue from Operations	Net Sales Value (NSV)	P&A NSV
	↑ 8.2%	↑ 9.9%
₹ 2,058 Cr	17.8%	₹ 1,558 Cr
EBITDA	EBITDA Margin	PAT
↑ 20.5%	↑ 181 bps	↑ 18.8%

Non-Financial Performance

89%	54%	93%
Employee Engagement Score (Your Voice - Internal Engagement Survey)	Improvement in water used per litre of spirit distilled from FY 2020 baseline	Reduction in absolute GHG emissions (Scope 1 & 2) in direct operations (market/net based) from FY 2020 baseline
0.7 Mn		
People educated through our Responsible Drinking Programmes		

*Third-party includes leased and tie-up manufacturing facilities.

Chairperson’s Message



Dear Shareholders,

In the past year, Diageo India has demonstrated resilience, agility and an unwavering commitment to delivering value for all our stakeholders with the belief that success is not just about financial performance, it is about anticipating consumer shifts, fostering a culture of innovation, strengthening partnerships and making a meaningful impact on society. By all these measures, FY 2024-25 was another year of purposeful progress for your Company.

Performance Review

In FY 2024-25, your company registered a healthy financial performance, achieving its growth targets, including double-digit growth in the Prestige & Above (P&A) segment. Profitability remained healthy, with consolidated PAT of ₹ 1,582 Crores and a net profit margin of 13.1%. Standalone PAT stood at ₹ 1,558 Crores with a net profit margin of 13.5%, expanding by 119 bps year-on-year.

The Board of Directors has recommended an interim dividend of ₹ 4 per share for FY 2024-25, underscoring our commitment to delivering sustained shareholder value. The Board has also recommended a final dividend of ₹ 8 per share subject to Shareholders’ approval for FY 2024-25.

Board and Leadership Changes

Towards the end of FY 2024-25, Hina Nagarajan, Managing Director and CEO, was appointed as President, Diageo Africa. On behalf of the Board, I extend my sincere appreciation to Hina for her outstanding leadership and strategic vision over the past four years. Under her stewardship, Diageo India accelerated its premiumisation agenda, strengthened its market position through innovative offerings, and became debt-free for the first time since acquisition. She was also instrumental in supporting the Indian alcobev startup ecosystem through strategic investments in brands such as Greater Than, Hapusa Gins, Quaffine Coffee Liqueur, Sober Non-Alcoholic Spirits, and Pistola Craft Agave Spirits.

I am pleased to welcome Praveen Someshwar as Managing Director and CEO of Diageo India. Praveen is a dynamic business leader with over three decades of experience in driving business transformation, strategy, and execution within the media and FMCG industries. With a sharp strategic mindset and a strong focus on executional excellence, his leadership will be pivotal as your Company enters its next phase of growth.

I would also like to welcome the three new directors who have been inducted to the board. Dr. Indu Bhushan, Amrita Gangotra and Mukesh Bhutani bring varied skills, competencies and expertise that will strongly support our growth agenda.

People, Sustainability, and Governance

Our success is rooted in the strength of our iconic brands and the exceptional talent within Diageo India. We are committed to nurturing this talent by fostering an inclusive environment where diversity thrives, and every individual can contribute their best. Your Company continues to build an organisation of the future by nurturing talent, driving digital transformation, and embedding sustainability into every aspect of its operations. A range of initiatives were introduced this year to accelerate leadership development, deepen inclusion and diversity, and enhance employee engagement, reinforcing your Company’s position as a top employer.

Sustainability remains at the core of your Company’s long-term vision. With significant achievements across its ‘Spirit of Progress’ ESG action plan, your Company is leading industry efforts in water stewardship, renewable energy adoption, circularity, and regenerative agriculture.

At the foundation of this progress is a strong governance framework, ensuring that business is conducted with integrity, transparency, and responsibility. This commitment to ethical leadership reinforces your Company’s long-term value creation strategy.

A Future-Focused Vision

The macroeconomic environment has become ever more complex and volatile. Globally, political and economic uncertainty, shifts in trade policies and tariffs, fluctuating commodity prices, and currency volatility have created challenges for businesses. In India, companies across sectors are grappling with changes such as in inflationary pressures and supply chain uncertainties, and their impact on consumer choice and demand.

But the long-term potential of India’s beverage alcohol industry remains strong, driven by the country’s economic transformation, rising affluence, and evolving consumer aspirations. Your Company is well-positioned to harness these opportunities through a disciplined focus on premiumisation, innovation, and purpose-led growth.

In addition, the new Free Trade Agreement recently announced by the UK and India government will reduce tariffs in many industries, with whisky being one of the major beneficiaries. India is the world’s largest whisky market, with Diageo India being a leading player with a wide array of brands, and this landmark treaty will enable improved accessibility of Scotch for Indian consumers and boost the growth of alcobev and hospitality industries.

I extend my deepest gratitude to Diageo Plc, our employees, partners, customers, and shareholders for their continuous support and trust. Together we will continue to deliver exceptional experiences to our consumers and make a positive impact on our communities.

Thank you for being part of this exciting journey.

Warm Regards,

V K Viswanathan
Chairperson

Managing Director & CEO’s Message



Dear Shareholders,

It has been a privilege to step into the role of Managing Director & CEO of Diageo India. Over the last few months, I’ve had the opportunity to immerse myself in the vibrant world of beverage alcohol, and I must say — this is a business like no other.

The passion surrounding our brands, the pride in our legacy, and our potential to shape culture and consumer experiences is inspiring. I have had the invaluable opportunity to work closely with my predecessors, Hina Nagarajan and M K Sharma, and I extend my deepest gratitude to them for their outstanding leadership.

Having led high-impact consumer businesses, I find Diageo India’s sharp focus on premiumisation, innovation, and purpose-led growth a compelling proposition. I am excited to build on this strong foundation and gear the Company into its next curve of growth.

Before diving into our performance, I want to spotlight something that truly stands out — our People and Culture. The level of ambition, inclusion, and collaboration across the organisation is

nothing short of inspiring. Our commitment to fostering a diverse and inclusive environment has been integral to our success. It’s no surprise that we’ve been recognised among the top 20 companies globally for gender equality by Equileap and were named a Gold Employer for LGBTQIA+ inclusion for the second year in a row by the India Workplace Equality Index.

Performance in a Changing Environment

FY 2024-25 was a year of strong delivery and bold resets. We delivered impressive topline growth, expanded margins, and upheld profitability; even as broader market conditions turned more challenging. This performance is a testament to our resilient portfolio, disciplined execution, and future-ready mindset, as we navigated a complex macroeconomic landscape. Urban consumption slowed, and momentum at the top end of our portfolio moderated — but we stayed ahead through sharp revenue growth management, productivity unlocks, and continued investments in innovation, brands, and experiences.

For the fiscal year, consolidated net sales reached ₹ 12,069 Crores, reflecting 6.6% growth, while standalone net sales grew 8.2% to ₹ 11,573 Crores. The Prestige & Above (P&A) segment grew by 9.9%, contributing 88.5% to net sales. Consolidated EBITDA grew by 12.1%, while standalone EBITDA rose 20.5% to ₹ 2,058 Crores. Profitability remained healthy, with consolidated PAT of ₹ 1,582 Crores and a net profit margin of 13.1%. Standalone PAT stood at ₹ 1,558 Crores with a margin of 13.5%, expanding by 119 bps year-on-year.

Our operating model proved resilient. Smart execution across pricing, portfolio, and productivity helped us absorb external pressures and sustain momentum. These outcomes affirm the strength of our strategy, and our readiness to course-correct with confidence when needed. We remained consistent in shareholder returns. The Board approved an interim dividend of ₹ 4 per share, paid in April 2025, and has recommended a final dividend of ₹ 8 per share, subject to shareholder approval.

Looking ahead, we remain cautiously optimistic in the short-term while remaining committed to the long-term potential of the Indian consumer story. As we enter a new fiscal, we do so with clarity and conviction. The consumer is evolving, and we are evolving with them. More importantly, we’re not just navigating change; we’re positioned to lead and win.

Building the Future of Spirits

Whisky remains our most powerful growth engine. This year, we focused on transforming our portfolio through premiumisation, while tapping into evolving consumer trends and new segments. We strengthened our Scotch portfolio, with Johnnie Walker expanding its appeal across price points and lifestyles, scaling innovations like Johnnie Walker Blonde to engage younger LDA consumers. Black Dog underwent a contemporary reinvention, boosting its relevance and leadership in the international whisky category. Black & White tapped into new consumer preferences with an accessible liquid crafted for easy, food-paired moments, rooted in inclusion and genuine connection.

Building on this momentum, we advanced our whisky agenda with Godawan, our artisanal Indian single malt and the most awarded Indian whisky globally with over 85 international awards. Godawan also made its debut in the UK, marking a defining moment for Indian whisky on the global stage. The launch of McDowell’s & Co Distiller’s Batch Indian Single Malt introduced a new era of triple cask matured craftsmanship. We also unlocked a new frontier in luxury with India Rare Spirits — the country’s first personalised cask programme featuring rare blends and bespoke packaging for the evolved Indian consumer.

Tequila is shaping up to be the next big growth opportunity. We made a decisive move with the launch of Don Julio, one of the world’s most iconic tequila brands, now introduced to Indian consumers with multiple variants. Early consumer response has been promising, and we see a clear runway to establish and lead this emerging category.

In white spirits, our innovations have gained significant momentum. McDowell’s X Series has reimagined the category with a curated range of vodkas, gins, and rums, crafted for the cocktail-forward consumer. Smirnoff continues to drive flavour-led experimentation, with Mirchi Mango, Minty Jamun, and Zesty Lime variants now scaled across key markets. These innovations are not just expanding our portfolio, they’re reshaping cocktail culture and repertoire drinking.

We also continued to build brand experience beyond the bottle. From Lollapalooza to global icon Dua Lipa’s India debut and the India Cocktail Week, our brands showed up at the intersection of music, culture, and community. Beyond being touchpoints, these events are powerful brand-building platforms that drive aspiration and emotional connection with consumers.

Our innovation journey is also ecosystem driven. With the launch of The Good Craft Co. (TGCC), we created a platform for India’s most exciting craft spirits and creators to immerse into the art and science behind spirits. TGCC is not just an experience home, it’s a cultural movement that’s raising the bar for homegrown craft excellence. Through Ventures, Diageo India’s investment arm, our strategic investments in startups like Nao Spirits, Pistola, Sober and Quaffine is helping shape the next wave of premium, responsible, and lifestyle-aligned brands. Together, TGCC and Ventures are strengthening India’s alcobev ecosystem and unlocking future-forward growth.

Digitalisation & Execution Excellence

Our digital transformation is progressing rapidly, with a clear focus on backend efficiencies and front-end innovation. On the backend, we are optimising processes, building efficiencies, and driving operational leverage, delivering strong results. A prime example of this is our re-entry into Andhra Pradesh, where we combined speed, precision, and on-ground execution to capture growth in a complex market.

At the front-end, we are laying the foundation for building a strong community of bartenders and customers. We’ve scaled up our first-party data capabilities to enable more personalised communication and deeper consumer engagement. By leveraging data science, automation, and predictive analytics, we are driving efficiencies across our marketing spends. This approach allows us to deliver smarter, more targeted campaigns, aligning our offerings to consumer needs, and ultimately optimising our investments.

Driving Progress in ESG

As a leading voice in the alcobev industry, we are committed to changing the way India drinks, for the better. Positive Drinking is a business priority, embedded across our brands, experiences, and consumer touchpoints, encouraging consumers to drink better, not more. We are also investing in education-led behaviour change. Initiatives like Act Smart India and Wrong Side of the Road address underage drinking and drink-driving, while our DRINKiQ platform empowers consumers with the knowledge to make smart, informed choices.

We are delivering bold outcomes with clarity and confidence on *grain-to-glass sustainability*. We have eliminated coal from all our distilleries, marking a significant milestone in sustainable manufacturing. We’ve reduced our greenhouse gas emissions by 93% and transitioned to 99% renewable energy in direct operations since FY 2020.

Our water stewardship efforts are industry leading: we’ve replenished over 1.1 million cubic metres of water, exceeding our targets three years ahead of schedule. Water-use efficiency has improved by 54% in distillation and 35% in packaging from FY 2020 baseline. Our Alwar distillery remains the only one in Asia certified by the Alliance for Water Stewardship, underscoring our leadership in water-positive practices. We are also a founding member of The Godavari Initiative, a multi-stakeholder collaborative for promoting sustainable management of the Godavari River Basin in Maharashtra.

We are embedding circularity across the value chain. Our packaging innovations — ranging from light-weighting and PET bottles to eliminating mono-cartons from 95% of our portfolio, have helped reduce waste and carbon emissions. Beyond direct operations, we continue to engage suppliers to reduce Scope 3 emissions and accelerate the shift to low-carbon materials and technologies. Our ESG performance is drawing strong investor interest, with sustainability ratings that are among the highest in the CPG industry.

Diversity and inclusion remain central to our growth agenda and goes beyond the organisation. Our ‘Learning for Life’ programme has trained 1,922 youth, including Persons with Disabilities (PwDs), for careers in the hospitality industry, with more than 50% of them being women.

Poised for the Future

We are proud partners in driving the bold transformation that India is witnessing as we work towards ‘Viksit Bharat’ by 2047. We’ve created 1,00,000+ direct jobs, supported 3,75,000 allied livelihoods. Today, our brands are exported to 24 countries, taking Indian pride to the world, as we gear up for the future in the ‘consumer market of the next decade’.

At Diageo India, we’re not just responding to change, we’re shaping it. As we continue this journey, I’m energised by the passion of our people, the power of our brands, and the trust of our stakeholders. We’re driving spirited progress, inspired by purpose.

This is the business of better, and we’re proud to lead the way.

Warm Regards,

Praveen Someshwar
Managing Director & CEO

BUSINESS MODEL

Value Creation with Consumers and Sustainability at the Core

The Resources We Use Our Business Activities The Value We Create



Financial Capital

- ₹ 7,879 Crores net worth
- ₹ 2,957 Crores working capital
- ₹ 850 Crores net fixed assets

[Refer page 40](#)



Manufactured Capital

- 36 manufacturing facilities (including third-party)
- ₹ 162 Crores capital expenditure
- ₹ 1,006 Crores matured malt inventory

[Refer page 46](#)



Brand Capital

- 50+ brands
- ₹ 1,128 Crores invested in advertising and promotion

[Refer page 60](#)



Intellectual Capital

- ₹ 27 Crores R&D spend
- 34 highly skilled R&D professionals

[Refer page 88](#)



Human Capital

- 2,400+ employees
- 21,300+ manhours of training provided
- 15+ inclusion & diversity initiatives
- 90%+ workforce trained on health and safety

[Refer page 102](#)



Social and Relationship Capital

- ₹ 26 Crores CSR spend
- 2,300+ suppliers and business partners

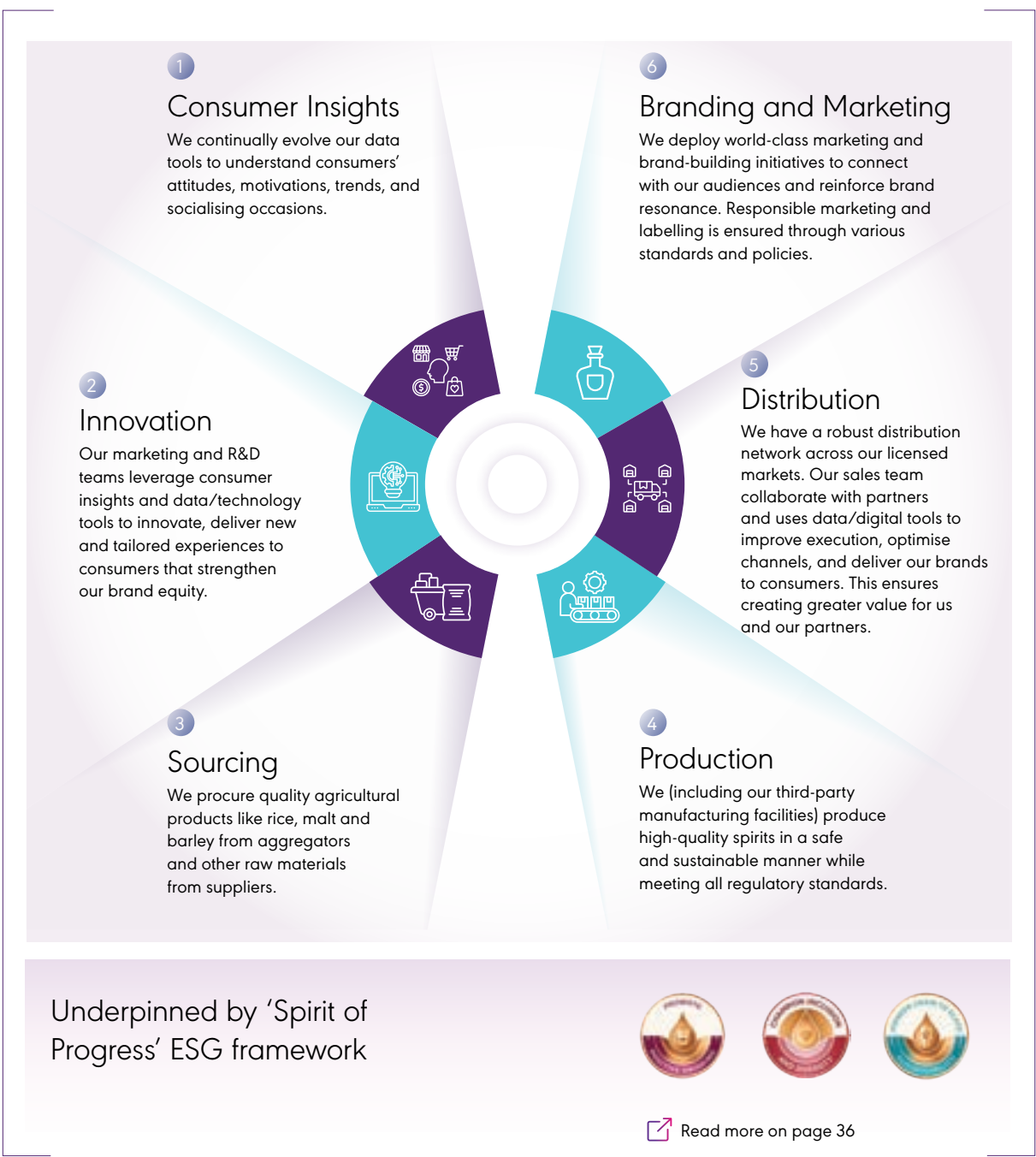
[Refer page 120](#)



Natural Capital

- 936K+ giga joules energy consumption
- 671K+ kilolitres of water consumed
- 396K+ metric tonnes of packaging materials procured
- 212K+ metric tonnes of agricultural raw materials procured

[Refer page 138](#)





Financial Capital

- ₹ 11,573 Crores NSV (↑ 8.2%)
- ₹ 2,058 Crores EBITDA (↑ 20.5%)
- ₹ 1,558 Crores PAT (↑ 18.8%)
- ₹ 873 Crores dividend declared (including proposed)
- ₹ 1,267 Crores free cash flows
- 26.4% ROCE



Manufactured Capital

- 61 million cases produced
- ₹ 388 Crores enterprise productivity



Brand Capital

- 7 one-million-cases+ brands
- 3 brands with ₹ 1,000 Crores+ NSV
- 3 brands with ₹ 500-1,000 Crores NSV
- 89% NSV from P&A portfolio



Intellectual Capital

- 10 products renovated/innovated
- 10% innovation contribution to NSV growth



Human Capital

- 89% employee engagement score
- 86% employee retention rate
- 28% women's representation
- Zero fatalities



Social and Relationship Capital

- 700K+ CSR beneficiaries (>50% women)
- 496K+ consumers educated on positive drinking behaviour
- ₹ 20,982 Crores contribution to the exchequer
- 100K+ direct job opportunities created



Natural Capital

- 99% energy consumption from renewable sources in direct operations
- 93% reduction in absolute GHG emissions (Scope 1 & 2) in direct operations (market/net based) from FY 2020 baseline
- 54% improvement in quantum of water used per litre of spirit distilled from FY 2020 baseline
- 99% material used in packaging is recyclable

STAKEHOLDER ENGAGEMENT



Aligning Perspectives for Long-Term Growth

Stakeholders are integral to our journey of building a resilient business, a sustainable planet and equitable societies. We actively engage with our internal and external stakeholders to align their perspectives with our strategic priorities. This ensures long-term value creation while balancing the diverse interests of all stakeholders.

Our Approach to Stakeholder Engagement

Stakeholder engagement at Diageo India is guided by our materiality assessment process, ensuring we focus on the most relevant and impactful issues. We maintain continuous dialogue and feedback with stakeholders to prioritise key areas such as environmental stewardship, social equity, governance, product innovation, and financial performance, aligning our strategy with the evolving expectations of stakeholders.

We believe in governance that upholds the interests of the Company while creating value for both shareholders and stakeholders. A cross-functional Diageo India Leadership Team (DILT), comprising functional heads, communicates stakeholder expectations to the Executive Committee, led by the Managing Director and CEO. The Executive Committee, in consultation with the Board, makes the necessary decisions to address stakeholder interests.

Our Engagement Process



Identifying Stakeholders

Identifying both internal and external stakeholders to understand the dynamics of our ecosystem.



Assessing Influence and Impact

Assess their level of influence and the potential impact of our business on their interests.



Monitoring Continuously

Regularly updating the stakeholder map to capture new and emerging stakeholders, and to reassess existing relationships in light of an evolving business environment, including mergers and acquisitions, policy shifts, market trends, and environmental factors.

Key Stakeholders

Stakeholders	Material Issues Influencing the Relationship	Capitals Linked	Strategic Priorities	Read More Under
 Consumers	Our consumers are at the heart of everything we do as they drive demand for our products. By consistently delivering quality products and focusing on their satisfaction, we build lasting trust and loyalty. Understanding consumer taste and preferences guides our product innovation and development and helps us elevate our brand through unparalleled taste and experience.	M1 M4 M5	 S1 S2 S3	Social and Relationship Capital - Customers and Consumers on page 132
 Employees	Employees are our most valuable asset, essential for sustaining operations and driving business growth. They contribute to our operations, innovation, and culture. By offering competitive compensation, career growth opportunities, and a positive work environment, we secure our ongoing success.	M2 M8 M10	 S2	Human Capital on page 102
 Communities	Communities are directly or indirectly impacted by our operations, and their prosperity is critical to sustainable business growth. As a responsible corporate citizen, we are committed to making a positive impact, ensuring we not only meet our business goals but also support broader societal needs.	M1 M2 M3 M5 M6 M7 M10	 S3	Social and Relationship Capital - Communities on page 120
 Investors	Investors provide the financial resources that help our business grow and achieve our objectives. By delivering consistent returns through dividends or capital appreciation and maintaining strong governance practices, we meet their expectations and build confidence and trust.	M6 M7 M8	 S1 S2 S3	Financial Capital on page 40 Corporate Governance on page 148
 Supply Chain Partners	Suppliers and distributors are integral to our smooth business operations. Strong ties with them are critical for ensuring continuity of raw materials and efficient logistics. We work together to ensure the timely delivery of high-quality products, optimise processes, and drive mutual growth.	M2 M6 M9	 S1 S3	Social and Relationship Capital - Responsible Supply Chain on page 126
 Government / Regulators	Governments/regulators create the legal and regulatory framework within which businesses must operate. Robust systems and processes and maintaining open communication with regulatory bodies is key in ensuring adherence to all laws and guidelines. We actively monitor policy changes to ensure responsible and ethical business practices in all markets.	M4 M6 M7 M8 M11	 S3	Corporate Governance on page 148 Natural Capital on page 138

[Read more on how we engage with stakeholder groups on page 277 under Principle 4, Essential indicator 2 of BRSR report.](#)

MATERIALITY ASSESSMENT



Prioritising the Issues that Matter

An in-depth analysis of our material topics is the bedrock of our ESG and risk management strategy. It enables us to effectively respond to emerging ESG trends, and changing stakeholders’ perspectives. Additionally, the insights gained from this analysis help us align with globally recognised ESG standards, benchmarks, and disclosure frameworks, strengthening trust with shareholders and stakeholders.

Approach to Materiality Assessment

In 2020, we launched our ‘Spirit of Progress’ ESG action plan, aligning it with the United Nations Sustainable Development Goals (UN SDGs). The plan was informed by a comprehensive materiality assessment conducted in 2019 by our Global team at Diageo Plc, in collaboration with its global entities, including Diageo India. The assessment examined external trends influencing our operating environment and involved extensive engagement with diverse internal and external stakeholders. Their perspectives and findings were prioritised through workshops held with multiple business

functions, including India. The process and outcomes were subsequently reviewed and finalised through deliberations with the Executive Committee and our Board.

In FY 2023-24, we reviewed our material issues in consultation with both internal and external stakeholders, to stay attuned to shifts in the business landscape and stakeholder perceptions. The insights from the materiality exercise are incorporated into our business strategies and priorities to drive lasting value creation.

Process to Determine Material Topics

Identification and benchmarking

Ascertain potential material issues through:

- External trend analysis
- Peer analysis
- Internal and external stakeholder consultation
- Benchmarking of identified topics against standards and disclosure frameworks outlined by Sustainability Accounting Standards Board (SASB), Dow Jones Sustainability Indexes (DJSI), etc.



Prioritisation

Assess significance of the impacts of identified material issues basis:

- Business objectives
- Business risks
- External rating requirements
- Stakeholder / Peer analysis



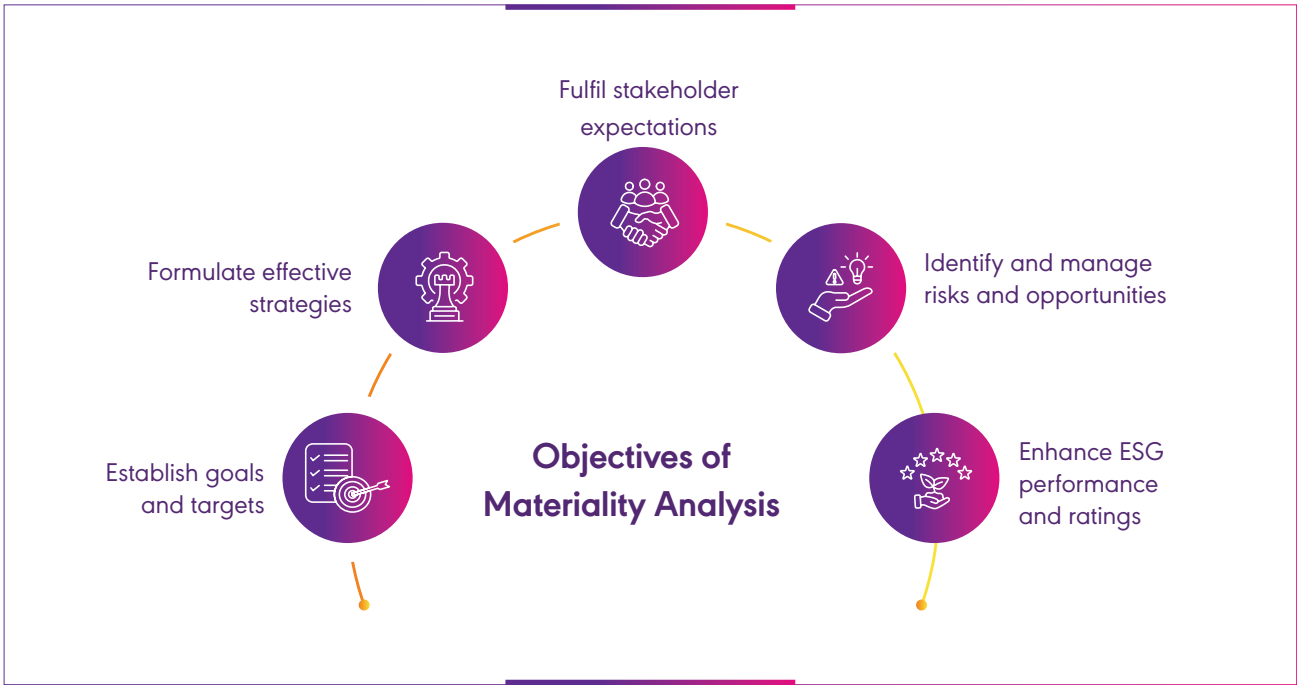
Finalisation

Review the materiality process and outcomes, and finalise the most significant material topics in collaboration with Diageo India’s leadership team and the Board



Plot Materiality Matrix

Plot the finalised material topics on the materiality matrix to show their impact on the business and stakeholders, ranging from low to high



Materiality Matrix



Topics that Matter in FY 2024-25

1. Promoting Moderation

SDGs Impacted	  
Capital Impacted	Brand Capital, Social & Relationship Capital - Communities, Customers and Consumers
Relevance to Diageo India	We aim to change the way the world drinks, for the better. We will do this by celebrating moderation and continuing to address the harmful use of alcohol, while expanding our programmes that tackle underage drinking, drink-driving, and binge drinking.
Management Approach	Promoting Positive Drinking is one of our key focus areas under ‘Spirit of Progress’, aimed at engaging, educating, and empowering consumers to make informed choices that encourage responsible consumption. - Implement targeted programmes such as ‘Act Smart India’ and ‘Wrong Side of the Road’ to curb underage drinking and raise awareness on the hazards of drink-driving. - A dedicated online platform ‘DRINKiQ’ provides facts about consumption of alcohol enabling consumers to take informed decisions. - Create brand-led campaigns to promote moderation.
Goals	- Educate 1.3 million young people on curbing underage consumption through our programme ‘Act Smart India’ by 2030. - Raise awareness among 3 million people about drink-driving through the ‘Wrong Side of the Road’ programme by 2030. Read more about goals under ‘Spirit of Progress’ on page 36
Value Created	0.2 million young people educated through ‘Act Smart India’ in FY 2024-25, bringing the cumulative total to 0.5 million between FY 2020-21 and FY 2024-25. 0.5 million consumers made aware through the ‘Wrong Side of the Road’ programme in FY 2024-25, with a cumulative reach of 1.2 million between FY 2020-21 and FY 2024-25.

[Read more under:](#)
‘Social and Relationship Capital - Communities on page 120
‘Social and Relationship Capital - Customers and Consumers’ on page 132

2. Including and Empowering Women, Minorities, and Under-represented Groups

SDGs Impacted	    
Capital Impacted	Human Capital, Manufactured Capital, Social & Relationship Capital - Communities, Responsible Supply chain
Relevance to Diageo India	Championing inclusion and diversity is at the heart of what we do and is crucial to our purpose of ‘celebrating life every day, everywhere’.
Management Approach	‘Championing Inclusion and Diversity’ is one of the core pillars of our ‘Spirit of Progress’ ESG action plan, promoting inclusion & diversity across our workplace, supply chain and communities: - Spirited Women’s Network (SWN) and Rainbow Network employee resource groups, inclusive policies, and guidelines to foster women and LGBTQIA+ inclusion. ‘Learning for Life’ – a business and hospitality skills programme providing skills to those seeking employment in the hospitality sector. - Striving to increase procurement from suppliers belonging to the marginalised /vulnerable groups (diverse suppliers).
Goals	- Increase women’s representation to 33% in the executive workforce and 50% in the leadership team by 2030. - Provide business and hospitality skills to 13,000 individuals through ‘Learning for Life’ programme by 2030. - Increase spend of procurement from diverse suppliers. Read more about goals under ‘Spirit of Progress’ on page 36
Value Created	- More than 50% women beneficiaries through our CSR programmes and initiatives. 28% in our executive workforce and 30% in our leadership team are women as of March 31, 2025. 1,922 individuals trained in business and hospitality skills through the ‘Learning for Life’ programme in FY 2024-25, with a cumulative total of 6,536 individuals completing the programme between FY 2020-21 and FY 2024-25. 6.2% spend of procurement from diverse suppliers.

[Read more under:](#)
‘Human Capital’ on page 102
‘Social and Relationship Capital – Communities’ on page 120
‘Social and Relationship Capital – Responsible Supply Chain’ on page 126
BRSR principle 5 on page 280

3. Ensuring Access to Clean Water, Sanitation, and Hygiene

SDGs Impacted	   
Capital Impacted	Natural Capital, Social & Relationship Capital - Communities
Relevance to Diageo India	Diageo India is committed to providing access to clean water, sanitation, and hygiene (WASH) in water-stressed communities near our sites, with the objective of improving overall community wellbeing.
Management Approach	‘Preserve Water for Life’ is a key pillar of our ‘Pioneer Grain to Glass Sustainability’ strategy, focused on enhancing water accessibility and quality for local communities: Implement community water, sanitation and hygiene (WASH) programmes in water stressed areas to enhance community health and well-being.
Goals	Continue to invest in improving clean water, sanitation, and hygiene (WASH) facilities in communities near our water-stressed sites and local sourcing areas. Read more about goals under ‘Spirit of Progress’ on page 36
Value Created	Provided sanitation and hygiene facilities across villages near our units in Rajasthan, Odisha, Maharashtra, and Uttar Pradesh.

[Read more under:](#)
‘Natural Capital – Preserve Water for Life’ on page 145
‘Social and Relationship Capital – Communities’ on page 120

4. Ensuring Responsible Marketing/Retailing of Alcohol

SDGs Impacted	 
Capital Impacted	Brand Capital, Social & Relationship Capital - Customers and Consumers
Relevance to Diageo India	It is our responsibility to market our products responsibly and transparently, educating consumers about quality, promoting responsible consumption, and ensuring their health and safety.
Management Approach	- Establish policies and guidelines such as the Diageo Marketing Code (DMC), Diageo Consumer Information Standard, and Global Quality Policy, etc. for responsible marketing and labelling practices, ensuring consumers’ health and safety. - Robust cross-functional review process to oversee marketing communications and compliance with the DMC. - Advocate the principle of ‘Drink better, not more’ through our marketing campaigns and programmes.
Goals	- Ensure compliance with DMC and data privacy regulations. - Judicious targeting of audience aged 21 & above, through appropriate media platforms.
Value Created	- No significant incidents of marketing communication violations resulting in a fine or penalty. - Normalisation of alcobev category across all genders through inclusive engagement and communication.

[Read more under:](#)
‘Social and Relationship Capital – Customers and Consumers’ on page 132

5. Preventing Harmful use of Alcohol

SDGs Impacted	  
Capital Impacted	Brand Capital, Social & Relationship Capital - Communities, Customers and Consumers
Relevance to Diageo India	We aim to change the way people drink for the better, by engaging, educating, and empowering consumers to make informed choices about drinking.
Management Approach	- Address the harmful use of alcohol by expanding our programmes that tackle underage drinking, drink-driving, and binge drinking. - Leverage DRINKiQ to enhance knowledge about alcohol and its impact, enabling consumers to make informed choices.
Goals	- Educate 1.3 million young people on curbing underage consumption through our programme ‘Act Smart India’ by 2030. - Raise awareness among 3 million people about drink-driving through the ‘Wrong Side of the Road’ programme by 2030. Read more about goals under ‘Spirit of Progress’ on page 36
Value Created	0.2 million young people educated through ‘Act Smart India’ in FY 2024-25, bringing the cumulative total to 0.5 million between FY 2020-21 and FY 2024-25. 0.5 million consumers made aware through the ‘Wrong Side of the Road’ programme in FY 2024-25, with a cumulative reach of 1.2 million between FY 2020-21 and FY 2024-25.

[Read more under:](#)
‘Social and Relationship Capital – Communities’ on page 120

6. Mitigating or Adapting to Climate Change

SDGs Impacted	     
Capital Impacted	Natural Capital, Financial Capital, Manufactured Capital, Intellectual Capital (R&D), Social & Relationship Capital - Responsible Supply chain
Relevance to Diageo India	Climate-related physical risks have the potential to cause water stress and impact agriculture material yield, affecting our operations. Transition risks such as cost related to supply chain decarbonisation, sustainable packaging material, and shifting changing consumer preferences may also impact us. Understanding and adapting to the direct and indirect implications of climate change will enhance business resilience and unlock opportunities.
Management Approach	‘Accelerate to a Low-Carbon World’ is one of the key strategic priorities of our ‘Grain-to-Glass’ Sustainability approach, focusing on decarbonising business operations. - Established net zero and renewable energy goals, with rigorous monitoring under ‘Spirit of Progress’ ESG action plan. - Implementing strategic actions for emission reduction and energy management, through carbon strategy targeting direct operations, supply chain, community and advocacy. - Engaging suppliers to adopt renewable energy and low-carbon alternatives for a greener value chain - Undertaking community projects aiming at improving the environment.
Goals	We have established ambitious goals to achieve Net Zero emissions and are making steady progress towards them. Read more about goals under ‘Spirit of Progress’ on page 36
Value Created	93% reduction in absolute GHG emissions (Scope 1 & 2) in direct operations (market/net based) from FY 2020 baseline. 99% percent renewable energy share in direct operations. 1,860 tCO₂e of carbon emissions avoided across direct operations. Note: # Renewable energy share accounted for from onsite solar power, biofuel use, and market-based purchased electricity offset through International Renewable Energy Certificates (i-RECs).

[Read more under:](#)
‘Natural Capital’ on page 138
BRSR Principle 6 on page 285

7. Protecting the Natural Ecosystems our Business Relies on

SDGs Impacted	    
Capital Impacted	Natural Capital, Manufactured Capital, Social & Relationship Capital - Communities
Relevance to Diageo India	Water, Energy and Agricultural commodities are essential for Diageo India’s business operations. In turn, our operations can impact water, biodiversity and other natural resources in the regions we operate and the local communities. Protection of these natural resources through responsible business operations is crucial for us.
Management Approach	- Adopted a rigorous goal-based approach towards environment protection and resource conservation through our ‘Spirit of Progress’ ESG action plan. ‘Preserve Water for Life’ and ‘Accelerate to a Low-Carbon World’ are key strategic priorities under ‘Grain-to-Glass Sustainability’, focusing on water stewardship, water replenishment, and energy optimisation through targeted initiatives at both site and community levels. - Implement water recycling and wastewater management to reduce freshwater consumption and replenish more water than we use across our direct operations, especially in stressed areas. - Adhering to zero liquid wastewater discharge outside direct operations at all our sites to promote water circularity. - Established sustainable sourcing processes and protocols, with emphasis on water stewardship, low carbon footprint and sustainable packaging. - Implement energy-efficient initiatives to optimise energy consumption. - Undertake programmes and initiatives for afforestation and protection of biodiversity.
Goals	We have established clear goals on protection of natural resources, under our ‘Spirit of Progress’ ESG Action plan.  Read more about goals under ‘Spirit of Progress’ on page 36
Value Created	1.1 million cubic metres of water replenished across our water-stressed sites since the FY 2020 baseline. 54% improvement in litres of water used per litre of spirit distilled, with a 53% improvement across water-stressed sites from FY 2020 baseline. 35% improvement in litres of water used per litre of beverage packaged, with a 33% improvement across water-stressed sites from FY 2020 baseline. 2.5+ lakh trees planted under afforestation drive, focusing on carbon removal between FY 2023-23 and FY 2024-25.

 Read more under:
‘Natural Capital’ on page 138
BRSR Principle 6 on page 285

8. Corporate Governance

SDGs Impacted	   
Capital Impacted	Financial Capital, Human Capital, Intellectual Capital - Digital, Social & Relationship Capital - Responsible Supply chain
Relevance to Diageo India	Strong governance is essential for ensuring efficient and transparent business conduct, effectively managing risks and strengthening compliance with regulatory and statutory norms. It also helps improve our ESG ratings, boosting shareholders and stakeholders confidence. At Diageo India, ‘Doing business the right way’ is the philosophy to act with integrity and ensure that everyone is treated fairly and respectfully.
Management Approach	- Robust corporate governance led by the Board of Directors. - Comprehensive policy framework, Code of Conduct and KPIs to ensure high standards of business conduct across own as well as value chain operations. - Rigorous systems, processes, and controls for 100% compliance, accountability, and transparency in business operations. - Employee trainings for risk management, human rights and compliance with Code of Conduct. ‘Speak Up’ helpline to enable employees and value chain partners raise concerns related to compliance and ethics. - Regular internal and external audits to ensure compliance with policies and applicatory laws & regulations.
Goals	- Uphold highest corporate governance standards. - Ensure compliance with all applicable laws. - Ensure 100% employee coverage in key policies training, including Anti-Bribery and Corruption, Anti-Money Laundering, Anti-Trust & Competition, Data Privacy, Employee Alcohol, External Communication, Information Management & Security, Human Rights & Dignity at Workplace, SpeakUp, Employee Health & Wellbeing, Prevention of Sexual Harassment at Workplace, and Conflict of Interest. - Ensure 100% employee coverage on Code of Conduct eLearning and Annual Compliance Certification (ACC).
Value Created	- Strengthened culture of compliance through annual refresher training on policies, enhancing trust and credibility among stakeholders for doing business the right way, from ‘Grain-to-Glass’. - Proactively identified potential high-risk areas and concerns around policies and applicable laws and built awareness through effective engagement. - Integrated a centralised compliance management system/ tool and strengthened internal controls for enhanced compliance. 78% of cases reported for breach of Code have been investigated and closed with appropriate actions taken, while enquiries are still ongoing for the remaining 22%. - No reported incidents of human rights violations. 100% employees trained on Annual Compliance Certification (ACC).

 Read more under:
‘Corporate Governance’ on page 148

9. Strengthening Security of Agri-food Chains

SDGs Impacted	  
Capital Impacted	Financial Capital, Manufactured Capital, Social & Relationship Capital - Communities, Responsible Supply Chain
Relevance to Diageo India	Any disruptions in the supply chain can impact the availability of raw materials, leading to production losses and increased costs. Climate change exacerbates these risks by affecting the yield, quality, and reliability of raw material sources. Sustainable procurement practices help ensure supply chain security and resilience by maintaining raw material availability, quality, and business continuity, while mitigating climate change.
Management Approach	- Collaborate with partners to map the complex supply shed of broken rice and evaluate its environmental impacts through a life cycle assessment (LCA). - Implement a regenerative agriculture pilot in one supply shed, identifying scalable mitigation technology for rice, reducing carbon emissions and water use; impact evaluation is ongoing.
Goals	Scale regenerative agriculture programme to 5,000 acres by FY 2025-26 and continue to seek partners for large scale programme of 50,000 acres by 2030. Read more about goals under ‘Spirit of Progress’ on page 36
Value Created	- Trained 430 farmers, 80% of whom were smallholders, in regenerative agriculture. 2,000+ acres covered under regenerative agriculture pilot programme (rice) in two seasons. 60% of inputs (by value) used in products are from suppliers governed under Responsible Sourcing Programme.

[Read more under:](#)
‘Social and Relationship Capital - Responsible Supply Chain’ on page 126
‘Social and Relationship Capital – Communities (Regenerative Agriculture)’ on page 124

10. Supporting Good Livelihoods and Working Conditions

SDGs Impacted	   
Capital Impacted	Human Capital, Social and Relationship Capital - Communities
Relevance to Diageo India	The development of communities and people is closely linked to the growth of the organisation. As a responsible corporate citizen, we strive to create value for communities, people and societies as a whole, fostering the holistic growth of our organisation.
Management Approach	- Invest in programmes and initiatives, empowering our people and communities. ‘Learning for Life’ programme to equip women and individuals with business and hospitality skills, promoting their employability and livelihoods. - Skill-building programme for Persons with Disabilities (PwDs) to enhance their employment prospects in the hospitality sector. - Adopting a listening culture via Employee Assistance Programme, focusing on employees’ hyper-personalised well-being, including emotional, practical, and physical well-being.
Goals	More than 50% of the beneficiaries of our skilling programmes are women. Read more about goals under ‘Spirit of Progress’ on page 36
Value Created	1,922 individuals (including 1, 282 women and 303 PwDs) trained under ‘Learning for Life’ programme. 67% of the beneficiaries of our skilling programmes are women. 89% employee engagement score.

[Read more under:](#)
‘Social and Relationship Capital - Communities’ on page 120
‘Human Capital’ on page 102

11. Reducing or Eliminating Waste

SDGs Impacted	  
Capital Impacted	Natural Capital, Manufactured Capital, Intellectual Capital (R&D)
Relevance to Diageo India	As with many products, the production of alcoholic beverages has the potential to generate waste throughout the product lifecycle. We prioritise responsible waste management because, if left unmanaged, waste from our operations and supply chain can lead to negative environmental and social impacts, including greenhouse gas emissions, pollution, biodiversity loss, and health hazards.
Management Approach	- Established goals for sustainable packaging and responsible waste management under our ‘Accelerate to Low Carbon World’ approach. - Close monitoring of packaging and waste management KPIs against the goals outlined in the ‘Spirit of Progress’ ESG action plan. - Create efficient production and recycling infrastructure to develop sustainable and circular packaging solutions. - Collaborate and support suppliers to reduce waste generation across the value chain. - Partnering with certified waste handlers to ensure responsible disposal through waste traceability assessments.
Goals	Our clear-cut goals on responsible waste management and sustainable packaging are outlined under ‘Spirit of Progress’ ESG action plan. Read more about goals under ‘Spirit of Progress’ on page 36
Value Created	100% of waste generated in direct operations diverted from landfills. 99% of material used in packaging is recyclable. 59% of material used in packaging were recycled input material. 33% of food grade recycled PET (r-PET) used across our PET bottles portfolio. 100% of plastic waste generated is collected and managed responsibly under Extended Producer Responsibility (EPR) programme.

[Read more under:](#)
Natural Capital on page 138
BRSR Principle 6 on page 285

RISK MANAGEMENT

Effective Risk Management

Diageo India’s ambition is to become the best-performing, most trusted, and respected consumer products company in India. We believe effective risk management begins with the right conversations that enable better business decisions. We identify material risks that could affect our current or future performance and reputation, and embed appropriate mitigation measures. Our approach is holistic and integrated, combining internal controls, business integrity, and risk oversight to focus on risks with the greatest potential impact. It is also structured to ensure we take all reasonable steps to mitigate, though not necessarily eliminate, our principal risks.

Risk management is embedded in our corporate strategy, which focuses on building a portfolio of world-class businesses that align organisational capabilities with market opportunities. It is further supported by structured succession planning, the development of specialist expertise, and timely interventions to enhance organisational capability.

As part of our journey towards risk intelligence, we have established a robust governance structure across the organisation. Given the nature of the business, it is exposed to various risks at different points in time. These include rising costs of raw materials

and other inputs, increasing competitive intensity, regulatory changes at the central and state levels, as well as risks related to cybersecurity, data management and migration, data privacy, and environmental and climate challenges.

We have consistently maintained a proactive approach to risk management, conducting periodic reviews and developing appropriate mitigation measures. To further strengthen this focus, the Board of Directors has constituted a Risk Management Committee to frame, implement, and monitor the Company’s risk management plan.



Our Approach

We have identified and assessed risks, determining their expected impact and likelihood of occurring over medium to long term, using various parameters such as brand and reputation management, operational performance, people and workplace safety, and the potential financial impact on profit.

- We take a holistic and end-to-end approach in managing risk.
- All aspects of risk such as commercial, operational, financial, strategic, reputational, and compliance risks, whether internal or external in nature, are covered as part of the Risk Management Committee meeting.
- The Committee considers not only the risks themselves, but also their root causes and potential consequences. Insightful, challenging discussion is at the heart of our approach and is always directed at achieving positive business outcomes.
- We learn lessons when things go wrong or play out unexpectedly.
- We are agile in identifying and responding to risks as they arise, whether in the short, medium, or long term.
- We remain attuned to an evolving external environment and the emergence of new risks. At Diageo India, risk is defined as ‘an uncertainty that could help or hinder the achievement of our business objectives.’ Risk management encompasses all activities undertaken to identify, assess, manage, and report on risks.
- We have an established framework for both entity-level and process-level controls. Documented policies, Key Performance Indicators (KPIs), and a Statement of Authority (SOA) are in place. This framework provides a mechanism to assess and manage the full range of internal and external opportunities and risks that may impact the business.

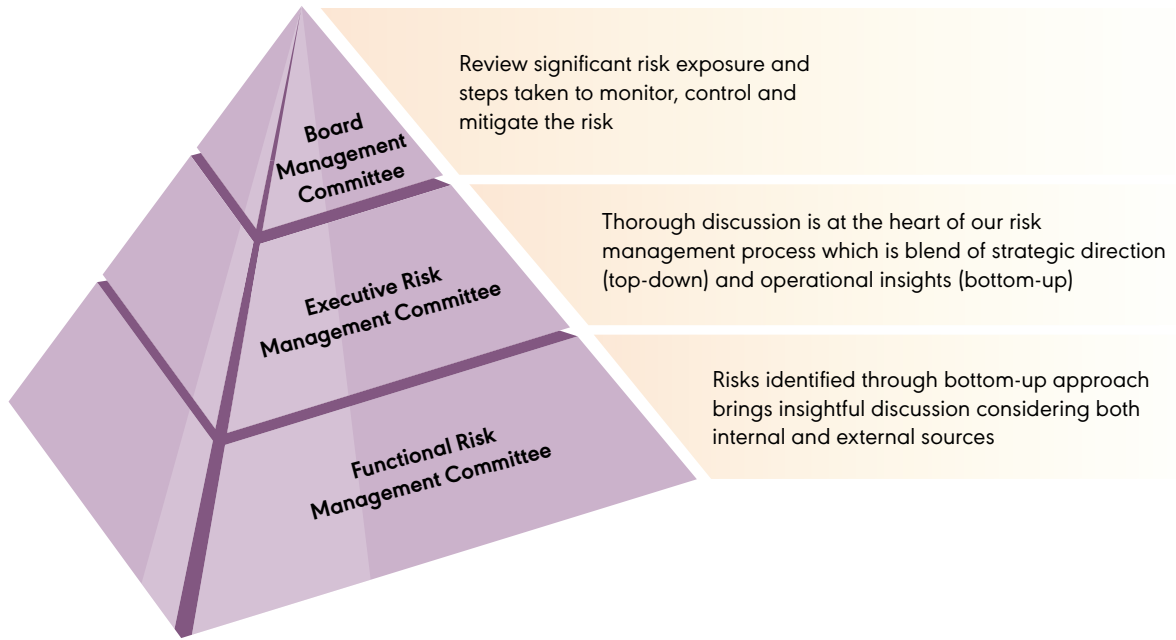
All business functions follow a coordinated risk management process that uses a common language and approach to either mitigate risks or reduce their impact. This framework assigns clear ownership of both the process and associated risks, outlining the essential tasks required for effective risk management and enabling timely response to change. The process is led, demonstrated in practice, and actively endorsed by the Executive Committee members. Independent oversight is exercised by the Board through the Risk Management Committee.

Key Components of Risk Management Framework:

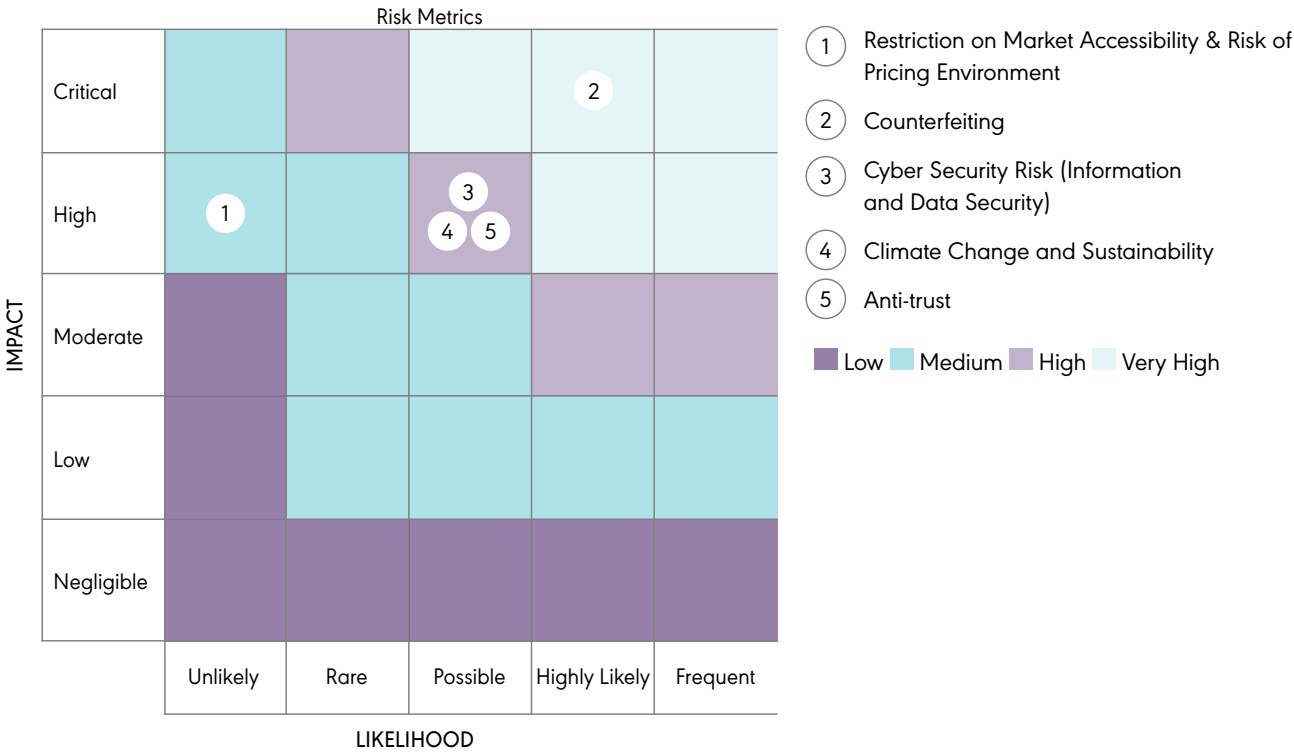
- ⚠️ Risk Identification ✓
- 📋 Risk Assessment ✓
- 🛡️ Risk Mitigation ✓
- 📊 Monitoring and Reporting ✓
- 🔄 Continuous Review ✓



Three-fold Risk Management Committee



Risk Matrix



Key Risks and Mitigating Actions

Gross Risk Movement

↑ Increase ↓ Decrease ↔ No movement

Capitals

Financial Capital

Manufactured Capital

Brand Capital

Social & Relationship Capital

Intellectual Capital

Human Capital

Natural Capital

Strategy

- S1** Portfolio Reshape
- S2** Organisation of the Future
- S3** Diageo in Society

Material Topics

- M1** Promoting moderation
- M2** Including and empowering women, minorities, and underrepresented groups
- M3** Ensuring access to clean water, sanitation, and hygiene
- M4** Ensuring responsible marketing/retailing of alcohol
- M5** Preventing harmful use of alcohol
- M6** Mitigating or adapting to climate change
- M7** Protecting the natural ecosystems our business relies on
- M8** Corporate governance
- M9** Strengthening security of agri-food chains
- M10** Supporting good livelihoods and working conditions
- M11** Reducing or eliminating waste

R1: Restriction on Market Accessibility & Risk of Pricing Environment

Gross Risk Movement: ↔

Risk Category: Market/Strategic

Risk Rating: Medium

Risk Classification: Emerging

Capital at risk

Strategy at risk

S1 S2

Material topics

M1 M4 M8

Risk Description

As alcohol is a regulated industry, we face restrictions in accessing markets and a volatile pricing environment due to government regulations and fluctuations in excise duties and taxes.

Mitigating Measure

- Continuous representation and engagement with external stakeholders at all levels.
- Industry-level initiatives in addressing structural barriers to pricing through co-creation of model excise policies, mutually beneficial to the industry and the governments, with state excise departments.
- Engage with the Government on securing business through various industry bodies and business forums.

R2: Counterfeiting Risk

Gross Risk Movement: 	Capital at risk 	Strategy at risk <u>S1</u> <u>S3</u>	Material topics <u>M4</u> <u>M5</u> <u>M8</u>
Risk Category: Operational			
Risk Rating: Very High			
Risk Classification: Legacy			

Risk Description	Mitigating Measure
Any accidental or malicious contamination of our product or the inability to protect the brand from counterfeit products available in the market.	- Mobilise ISWAI cooperation and advocacy efforts against counterfeiting. - Support the implementation of anti-counterfeiting technology for MAPs (Most Affected Products). - Strengthen brand protection and anti-counterfeit measures in high-risk markets, while leveraging new technologies to support product verification.

R3: Cyber Security Risk (Information and Data Security)

Gross Risk Movement: 	Capital at risk 	Strategy at risk <u>S2</u> <u>S3</u>	Material topics <u>M8</u>
Risk Category: Operational			
Risk Rating: High			
Risk Classification: Emerging			

Risk Description	Mitigating Measure
Rising cyber-attacks pose a threat to own and third-party networks. Inadequate IT resilience arrangements could lead to theft or loss of critical assets, including data and systems, and disrupt core operations.	- Enterprise-wide cyber risk management processes and policies are in place. AI and BOT automation usage is monitored through a Self-Assessment Questionnaire (SAQ) checklist and a control framework, ensuring secure and responsible adoption. - A centralised inventory has been established for all IT-managed applications, infrastructure servers, and critical information assets. - Use of machine learning and threat intelligence to detect and block sophisticated threats. All servers, network devices are patched regularly as per IM&S policy. - A register is maintained for privileged accounts, service accounts, generic accounts, and shared accounts for each application or asset, with governance over lifecycle management, including joiner-mover-leaver (JML) processes, ownership, and password protocols. - Mandatory e-learning and regular phishing exercises for all employees.

R4: Climate Change and Sustainability Risk

Gross Risk Movement: 	Capital at risk 	Strategy at risk <u>S3</u>	Material topics <u>M3</u> <u>M6</u> <u>M7</u> <u>M9</u> <u>M11</u>
Risk Category: Operational			
Risk Rating: High			
Risk Classification: Emerging			

Risk Description	Mitigating Measure
- Impact on raw material procurement and pricing. - Increased sustainability compliance requirement. - Restriction on the use of certain raw materials for liquor production.	Water stewardship - Conduct water risk and Source Vulnerability Assessments (SVA) at priority sites. - Improve water-use efficiency in operations through reduce, reuse, and recycle measures. - Implement water replenishment and collective action projects in high stress water basins. Key Raw materials - Promote regenerative agriculture practices to improve resilience in supply chain. - Develop alternate sourcing strategies and secure long-term supply contracts with key agri-suppliers. Regulatory and Compliance Management - Strengthen internal governance to ensure compliance with evolving climate and water regulations. - Engage and monitor regulatory developments and build agility into compliance processes.

R5: Anti-Trust

Gross Risk Movement: 	Capital at risk 	Strategy at risk <u>S3</u>	Material topics <u>M4</u> <u>M8</u>
Risk Category: Legal & Compliance Risks			
Risk Rating: High			
Risk Classification: Legacy			

Risk Description	Mitigating Measure
The imposition of new regimes and a heightened enforcement stance across markets have increased regulatory requirements. Lack of a business integrity culture or any breach of our policies, relevant laws or regulations could impact operations.	- Awareness strengthened through continuous training and updates, ensuring adherence to all laws designed to protect and promote market competition. - A standard operating procedure for market data collection has been finalised and agreed upon with stakeholders to ensure compliance. - Actively engaged in the legal working group established by the industry body to monitor and prevent anti-competitive practices.

OPERATING CONTEXT



Seizing Exciting Industry Opportunities

India’s alcoholic beverage industry is poised for exponential growth, fuelled by rising incomes, rapid urbanisation, and evolving consumer aspirations. At Diageo India, we are actively shaping this transformation through innovation, portfolio premiumisation, and enhanced digital engagement – creating elevated experiences and expanding our consumer base. With significant headroom for growth, we are strongly positioned to capitalise on these trends and drive long-term growth and value creation.



Industry Context

India is poised to become the world’s third-largest economy and consumer market by 2030, underpinned by its youthful, rapidly expanding population, and long-term structural strengths. Over the past 5 years, the country has led global spirits volume growth contributing 49%, the highest globally, becoming the fastest growing large spirits market in the world.

Source: IWSR Annual CY 24 report

Key Drivers of Alcohol Market Growth in India

Demographic Advantage

By 2030, 100 million Indians will reach legal drinking age – representing 25% of global growth in alcohol consumers. (Source: WEF + Bain)

Expanding Middle Class and Affluence

With an expected 700 million middle-class and affluent consumers by 2030, India’s growing disposable incomes are fuelling demand for premium alcoholic beverages. (Source: WEF + Bain)

Cultural Shifts

Shifting socio-cultural norms are accelerating consumer openness to new experiences and greater experimentation in alcohol consumption.

Significant Headroom for Growth

Low market penetration and modest per capita consumption present a substantial opportunity for expansion.

Premiumisation Momentum

Consumers are increasingly seeking premium and craft alcoholic beverages that offer quality, authenticity, and distinctiveness.

Innovation-led Growth

Innovation in product offerings, such as flavoured spirits, craft beers, and ready-to-drink cocktails, is attracting a diverse consumer base.

Digital Engagement

The growing popularity of digital platforms results in enhanced consumer engagement, elevated brand positioning, and targeted marketing.

Our Response

We will continue to tap the massive growth opportunity in India while managing the complexity of the alcoholic beverage industry with diverse pricing, regulatory, and route-to-market across the country.

We are strengthening our premium and luxury portfolio by expanding established brands like Johnnie Walker and introducing new offerings tailored to local tastes. Innovation remains a key focus, creating new to world products like flavoured spirits, new whiskies for the young LDA consumers, disruptive pack formats, Indian craft spirits as well as investments in the areas of low-alcohol beverages and craft spirits to meet emerging consumer needs. We are also leveraging digital platforms, social media and creating owned platforms to ensure deeper connections with younger LDA consumers.

Sustainability is central to our strategy, with initiatives focused on reducing water usage, adopting eco-friendly packaging, and promoting responsible consumption. Additionally, we are expanding our market reach by strengthening distribution networks and transforming retail operations in metros, tier II and tier III cities, where disposable incomes and demand are rising. Strategic partnerships with distributors and retailers further enhance market penetration and brand visibility. Through these initiatives, we aim to reinforce our market leadership while driving long-term, sustainable growth in the evolving Indian market.

 Read more in our Management Discussion and Analysis section on page 219

WEF: World Economic forum,
IWSR: International Wine and Spirits Record

STRATEGIC PRIORITIES



Building for the Future

The alcobev industry is at an inflection point in India. We have formulated a robust roadmap to tap India’s massive growth opportunities while managing the complexities of pricing, regulations, and route-to-market dynamics across the country. It lays the foundation for a resilient and agile organisation that will deliver growth and long-term value to all our stakeholders. We aim to transform into an organisation that meets consumers’ existing and emerging needs with a comprehensive portfolio, ensures execution excellence, builds a future-ready organisation anchored in culture and values, and delivers programmes that contribute to a positive societal impact.

Our Ambition

We aspire to be Top performing consumer products company in India, with sustained double-digit, profitable top-line growth and long-term value for all our stakeholders.

Strategic priority #1
Portfolio Reshape

- Consumer strategy built against ‘Three Indias’, that align price tiers with categories
- Breakout growth in the Prestige and Above (P&A) segment
 - Accelerate in Luxury & Premium segment
 - Strengthen play in Upper Prestige
 - Reshape value proposition in Lower & Mid Prestige
 - Value chain efficiency extraction
 - Create new growth engines

Strategic priority #2
Organisation of the Future

- Talent and culture as growth drivers
- End-to-end digital transformation
- Speed and simplicity

Strategic priority #3
Diageo in Society

- Driving ESG from Grain-to-Glass
- Make In India
- Moving India towards ‘Drink Better, not More’
- Leading inclusion and diversity

Material topics

- M1** Promoting moderation
- M2** Including and empowering women, minorities, and underrepresented groups
- M3** Ensuring access to clean water, sanitation, and hygiene
- M4** Ensuring responsible marketing/ retailing of alcohol
- M5** Preventing harmful use of alcohol
- M6** Mitigating or adapting to climate change
- M7** Protecting the natural ecosystems our business relies on
- M8** Corporate governance
- M9** Strengthening security of agri-food chains
- M10** Supporting good livelihoods and working conditions
- M11** Reducing or eliminating waste

Risks

- R1** Restriction on market accessibility and risk of pricing environment
- R2** Counterfeiting
- R3** Cyber security risk (information & data security)
- R4** Climate change and sustainability
- R5** Anti-Trust

Capitals

- Financial Capital
- Brand Capital
- Intellectual Capital
- Natural Capital
- Manufactured Capital
- Social & Relationship Capital
- Human Capital

Acting on our Strategic Priority

Strategic Priority #1

Portfolio Reshape

Material topics

- M1**
- M4**
- M5**

Risks

- R1**
- R2**

Capitals

-
-
-
-

Stakeholders

- Consumers
- Investors
- Supply Chain Partners

Actions Taken

Our portfolio is strategically positioned to drive premiumisation and elevate consumer experiences, with notable progress in key areas:

Premiumisation of the Portfolio

- Prestige & Above (P&A) accounts for 89% of Net Sales Value (NSV) in FY 2024-25, validating our strategic interventions to accelerate premiumisation.
- Sustained growth and premiumisation across Prestige segments, anchored on loved brands like McDowell’s No.1, Royal Challenge, Signature and Antiquity.

- Luxury & Premium Growth with NSV contribution surpassed one-third, cementing our leadership in premium spirits. Strategic interventions include:
 - **Johnnie Walker (JW) trademark:** Recruiting next-generation consumers and driving cultural vibrancy.
 - **Black & White:** Fastest-growing primary Scotch globally, with India as its largest market.
 - **Black Dog:** Transforming a loved classic Scotch brand to a contemporary Scotch brand.
 - **Godawan:** India’s most-awarded luxury artisanal single malt in recent times, with over 85 accolades.
 - **Singleton:** Positioned as an accessible single malt for young LDA, affluent consumers.

Strategic Priority #1

- **Tanqueray:** Capitalising on gin’s growing popularity.
- **Tequila & Agave Spirits:** Tapping into the rapid global growth and rising traction in India by launching Don Julio’s full tequila portfolio and investing in Maya Pistola, India’s first aged 100% agave spirit, catering to diverse price points.

Driving Brand Innovation

Accelerated brand innovation, aligning closely with evolving consumer preferences and premiumisation trends:

- **Royal Challenge American Pride:** Became the fastest-growing upper prestige brand, selling ~400K cases during the year, and is 7% of the Royal Challenge trademark by NSV, with high repeat purchase rate indicating the superiority of the liquid and being differentiated from other Scotch-based liquids.
- **JW Blonde:** Positioned between Red and Black Label, it contributes 7% to the JW trademark by NSV during the year.
- **McDowell’s X Series:** Expanded McDowell’s trademark’s frontiers with a unique range of rum, gin, vodka, and Indian Single Malt Whisky.
- **Smirnoff Flavours:** Launched first-ever local Indian flavours in line with consumer taste preferences: Minty Jamun, Mango Mirchi, and Zesty Lime.

Expanding White Spirits Portfolio

Strengthened portfolio spanning vodka, gin, tequila, and agave spirits across price points to meet evolving consumer preferences.

Investments in Craft and Innovation

Aligned with our ‘Made in India’ strategy, we acquired minority stakes in:

- **Inspired Hospitality** (Maya Pistola, Indian agave spirit)
- **V9 Beverages** (Sober, non-alcoholic spirit)
- **Indie Brews & Spirits** (Quaffine, coffee liqueur)

Value Chain Efficiency Extraction

Shaped long-term profitable growth through a multi-year supply chain agility programme, disciplined overhead management, sustained A&P investments, price/mix improvements, and a strong focus on topline growth.

Way forward

- Accelerate premiumisation through a sharper, consumer-focused portfolio to drive the next phase of growth.
- Leverage Diageo India’s proprietary Consumer Choice Framework to identify trends, motivations, and opportunities with an occasion-led approach. This tool will help enable agile investment decisions, ensuring our portfolio remains relevant and aligned with consumer preferences and growth opportunities across Total Beverage Alcohol (TBA).

Organisation of the Future

Material topics

M8 M10

Risks

R1 R3

Capitals



Stakeholders

- Employees
- Investors

Actions Taken

- Strengthened our Employer brand in India through 360-degree interventions:
 - Enhanced Employee Value Proposition through #CelebratingYou campaign and progressive policies.
 - Focus on inclusion & diversity (I&D) and women representation.
 - Multi-layered capability-building efforts.
 - Enhanced team engagement and satisfaction as indicated by recent surveys.

Read more about our Human Capital on page 102

- Digital efforts covering manufacturing, supply chain, commercial and marketing functions with a focus on automation, digitisation and analytics; MAKE initiative to build a factory for the future.

Read more about our digital initiatives on page 96

- Launched The Good Craft Co. (TGCC) flavour lab at Bengaluru as a collaboration and education hub for craft spirits, start-ups and communities.

Way forward

- Establish an efficient, purpose-driven, competency-led organisation towards becoming India’s leading CPG talent powerhouse. Also, set industry benchmarks in I&D, and foster a culture of integrity, accountability, and agility through dial-up behaviours.
- Develop an integrated enterprise-wide digital roadmap, including creating a centralised data analytics centre of excellence, leveraging AI to enhance efficiency and effectiveness, and improving consumer and customer engagement.
- Commitment to sustaining impactful A&P investment, driving commercial excellence through AI-powered analytics, enhancing supply chain agility, and consistently improving enterprise productivity.

Strategic Priority #3

Diageo in Society

Material topics

M1 M2 M3 M4 M5
M6 M7 M9 M10 M11

Risks

R2 R3
R4 R5

Capitals



Stakeholders

- Consumers
- Communities
- Investors
- Supply Chain Partners
- Government/Regulators

Actions Taken

- **Climate Action and Circularity**
 - Achieved a 100% transition from coal to biomass fuel across all distillation operations, strengthening our progress towards Net Zero emissions.
 - Installed 2.7 MW of solar energy capacity, accelerating our shift to renewable energy.
 - Embedded circular design principles in packaging by increasing the use of recyclable materials, recycled cullet and MBU (Market Bottle Utilization) glass, and food-grade r-PET in key product portfolios.
- **Water Stewardship**
 - Replenished over 1.1 Million Cu.M of water across water-stressed areas through community and catchment-based initiatives.
 - Improved water use efficiency by 54% in distillation and 35% in packaging from FY 2020 baseline, reflecting strong operational stewardship.

- **Promoted responsible drinking** among 700K+ individuals through Act Smart India (underage drinking), Wrong Side of the Road (anti-drink-driving) and DRINKiQ platform (responsible drinking).
- Sustainable livelihood interventions – trained 1,922 people with business and hospitality skills (1,282 women and 303 PwDs).
- MSCI ESG rating of A in ESG Performance.

Read more on pages 36 to 39

Way forward

- Commitment to India’s economic progress as a dedicated partner to Viksit Bharat, driving innovation, fostering skill development, and supporting sustainable agriculture.
- Pioneer grain-to-glass sustainability, advance I&D, and lead positive drinking, aligned with ‘Spirit of Progress’ goals.

Results Rooted in Strategic Execution

Robust all-round performance, achieving financial goals and exceeding ‘Spirit of Progress’ goals



Delivered a best-in-class total shareholder return of 25%, outperforming most peers in the Indian CPG sector



Achieved 8.2% topline growth and a 181 bps expansion in EBITDA margin, driven by portfolio premiumisation, stronger liquid innovations, winning propositions, and healthy operational performance



Attained debt-free status and transitioned into a dividend-paying company, alongside consistently generating and growing free cash flows

'SPIRIT OF PROGRESS': OUR ESG GOALS FOR A POSITIVE SOCIETAL IMPACT



Envisioning an Inclusive and Sustainable World

At Diageo India, our aspiration is to become the best performing, most trusted and respected consumer products company in India. This ambition drives us to embed sustainability and ESG principles at the core of our decision-making and business strategies. Our commitment extends beyond financial success, aiming to create a meaningful and positive impact on the planet and its people.

Launched in 2020, the 'Spirit of Progress', our ESG action plan, is an enabler of our growth ambition and a commercial imperative for our business, underpinned by our commitment to do business the right way. This comprehensive framework outlines clear goals that address the issues most critical to our business and stakeholders. Anchored in three strategic pillars, it reflects our commitment to environmental stewardship, empowering people, and uplifting communities. By embedding these priorities into our operations, we are building a resilient, future-ready business that creates long-term stakeholder value.

Strategic Priorities of 'Spirit of Progress' Framework



Our 'Spirit of Progress' Goals

Aligned with the United Nations' Sustainable Development Goals (UNSDGs), our priority performance targets are strategically focused on areas where we can drive the greatest impact. These include promoting positive drinking, championing inclusion and diversity, and pioneering grain-to-glass sustainability across our value chain.

Promote Positive Drinking

- Contribute towards Diageo India's target of educating young people, parents, and teachers on the dangers of underage drinking, through our 'Act Smart India' programme.
- Contribute to Diageo India's global target of promoting changes in attitudes towards drink-driving through our 'Wrong Side of the Road' programme.

Note: Diageo India's targets are calibrated annually, based on the performance of the previous FY.

[Read more under 'Social and Relationship Capital - Communities' on page 122](#)

Champion Inclusion & Diversity

- Equip 13,000 people with business and hospitality skills to enhance their employability and livelihoods.
- Increase total women representation in the executive workforce to 33%, and in the leadership team to 50%, by 2025.
- Ensure 50% of the beneficiaries of our community programmes are women, with a focus on enhancing diversity and inclusion of underrepresented groups.

[Read more under 'Social and Relationship Capital - Communities' on page 123 and 'Human Capital' on page 109](#)

Pioneer Grain-to-Glass Sustainability

Preserve Water for Life

- Reduce water-use in our operations, with a 40% improvement in water use efficiency in water-stressed areas and a 30% improvement across the Company.
- Replenish more water than we use in our direct operations in water-stressed areas.
- Engage in collective action in priority water basins, to improve water accessibility, availability, and quality, and contribute to net positive water impact.
- Invest in improving access to clean water, sanitation and hygiene (WASH) in communities near our sites.

Accelerate to a Low-Carbon World

- Become net-zero in our direct operations (Scope 1 & 2).
- Reduce our value chain (Scope 3) carbon emissions by 50%.
- Use 100% renewable energy across all our direct operations.
- Achieve zero waste created intended for landfill in our direct operations.
- Ensure 100% of our packaging is recyclable (or reusable/compostable).
- Continue our work to reduce total packaging and increase recycled content in our packaging (delivering a 10% reduction in packaging weight and increasing the percentage of recycled content in our packaging to 60%).
- Increase the average recycled content in our plastic bottles to 40% by 2025, then deliver sequential improvement by 2030, striking a balance between quality/availability and our needs.
- Develop regenerative agriculture pilot programmes in key sourcing landscapes.
- Provide agricultural skills and resources through regenerative agriculture and other programmes to strengthen the resilience and economic prosperity of smallholder farmers in our most important ingredient-sourcing landscapes.

[Read more under 'Natural Capital - Accelerate to a low-carbon world' on page 140](#)



Robust ESG Governance Framework

To drive the continuous advancement of our ‘Spirit of Progress’ charter, we have put in place a robust governance mechanism comprising a structured framework.



Global ESG Rankings & Scores

'A'
MSCI
ESG Rating



21.2
A medium Sustainalytics
ESG risk score [May 2025]



FINANCIAL CAPITAL



Prudent Approach to Capital Management

The robustness of our financial capital is driven by our strategic and disciplined approach to capital management. Prudent deployment of funds helps maximise long-term value for our business and stakeholders. We also maintain a sharp focus on both topline growth and bottom line performance, to generate robust free cash flows. This further helps ensure a strong and resilient balance sheet for the Company. This approach enables sustainable growth and consistent value delivery across market cycles, building a future-ready organisation.

Key Highlights FY 2024-25*

₹ 11,573 Crores	₹ 10,271 Crores	₹ 2,058 Crores	17.8%
Net Sales Value (NSV)	Net Sales Value from P&A Portfolio	Earnings Before Interest, Tax and Depreciation (EBITDA)	EBITDA Margin
↑ 8.2%	↑ 9.9%	↑ 20.5%	↑ 181bps
₹ 1,558 Crores	₹ 21.42	₹ 1,267 Crores	26.4%
Profit After Tax (PAT)	Earnings Per Share (EPS)	Free Cash Flows (FCF)	Return on Capital Employed (ROCE)
↑ 18.8%			

*All are reported numbers (standalone)

UN SDGs Linked



Material Issues

M6 M8 M9

Strategic Priorities

S1 S2



Disciplined Capital Allocation and Prudent Financial Management Practices

We pursue healthy financial practices to enhance organisational future-readiness. Our financial strategy prioritises profitable growth and a strong balance sheet to enable sustained investment in the future. At its core is a disciplined capital management approach that balances reinvestment in growth opportunities with the maximisation of shareholder returns.

We achieve this by investing in brands and innovation to drive long-term growth, alongside strategic acquisitions to strengthen our portfolio. These initiatives enhance brand equity and support the development of a future-ready business. Value creation for stakeholders is further ensured through a well-defined dividend distribution policy and sustained investments in ‘Spirit of Progress’ initiatives.

Revenue and profit maximisation

In FY 2024-25, we continued to focus on our Revenue Growth Management (RGM) initiatives thereby optimising product mix, pricing, and channel execution to drive value-led growth. This was complemented by continued premiumisation and sustained investment of ₹ 1,128 Crores in A&P, leading to improved brand visibility and strong momentum in the Luxury & Premium segment. Together, these efforts supported sales volume growth, stronger pricing, and overall revenue growth. On the cost side, we drove efficiencies through scale, best-in-class manufacturing practices, strategic sourcing, and tech-enabled inventory management. Our multi-year supply agility programme further enhanced our operational footprint. These initiatives delivered ₹ 243 Crores in pricing and revenue growth and ₹ 388 Crores in enterprise productivity during the year.

The net sales salience of the P&A segment increased to **89% in FY 2024-25**, from 87% in FY 2023-24 and **65% in FY 2019-20**. Through effective brand refresh, engaging marketing activities, and the strength of our unique portfolio, we have delivered an impressive **5-year CAGR of 12% in P&A NSV**.

Working capital and debt management

Led by our consistent financial performance and prudent capital management, Diageo India became debt free in FY 2022-23. We ensure optimal working capital through a sharp focus on better inventory management and improvement in the receivables cycle. Our working capital requirement (as % of NSV) has, resultantly, come down from 21% in FY 2019-20 to 17% in FY 2024-25.

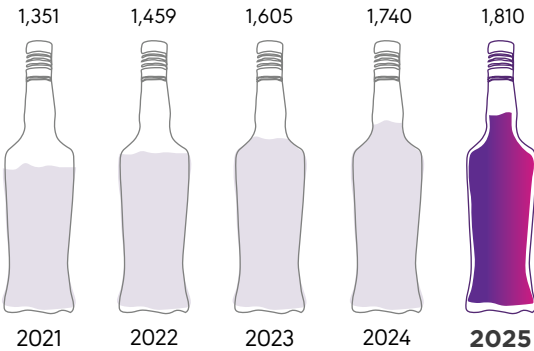
We continue to hold a position of strength in the industry, with a net worth of ₹ 7,879 Crores and net cash surplus of ₹ 3,089 Crores (including current investments and term deposits) as on March 31, 2025. This gives us adequate headroom to commit to capex, and also equips us to invest in branding and promotion.

Key Performance Indicators*

Net Sales Value (₹ Crores)



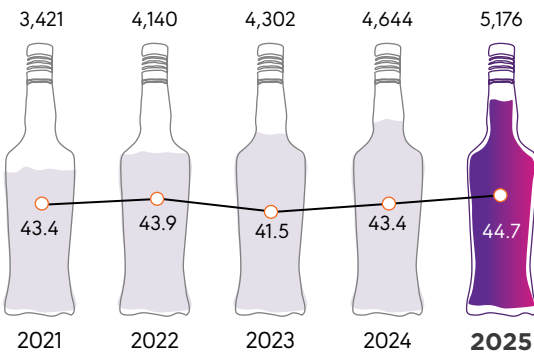
Net Sales Value (NSV) Per Case (₹)



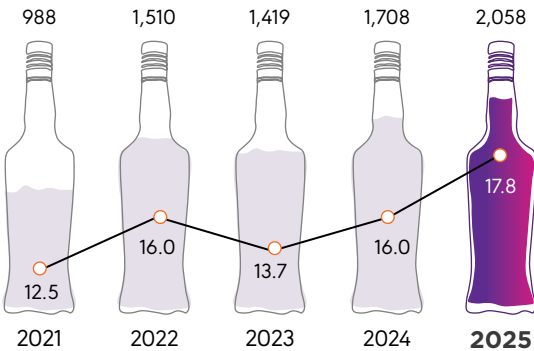
Prestige and Above Portfolio NSV (%)



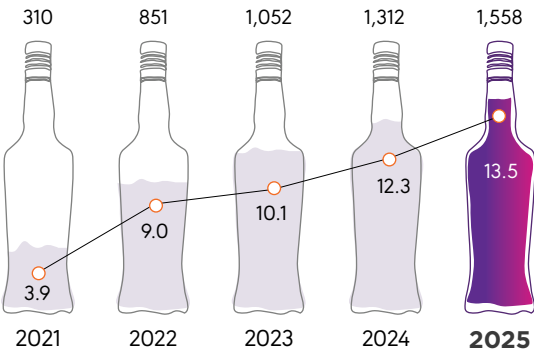
Gross Profit and Gross Margin (₹ Crores and %)



EBITDA and EBITDA Margin (₹ Crores and %)



PAT and PAT margin (₹ Crores and %)

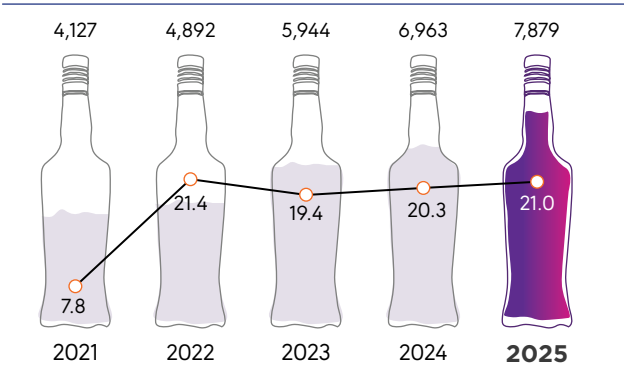


*All are reported numbers (standalone)

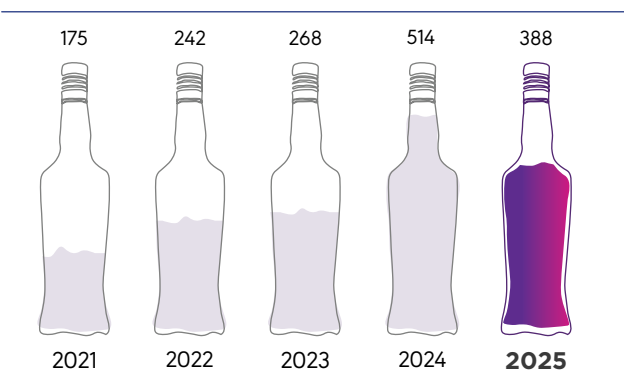
Return on Capital Employed (ROCE)
(%)



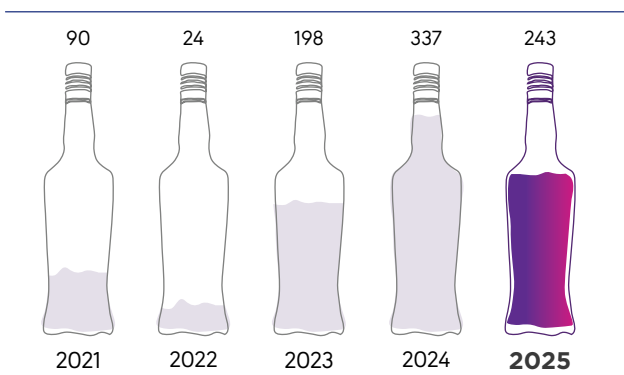
Net Worth and Return on Net Worth (RoNW)
(₹ Crores and %)



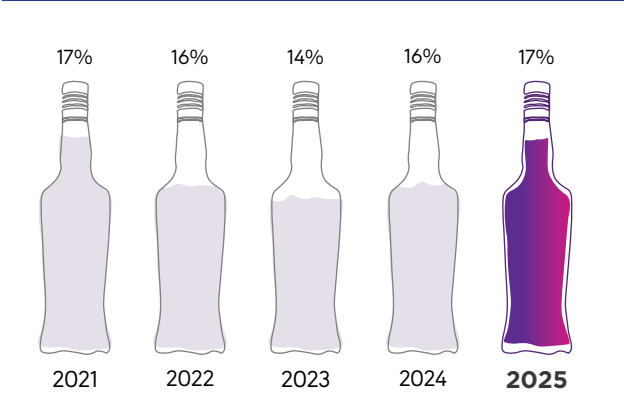
Enterprise Productivity
(₹ Crores)



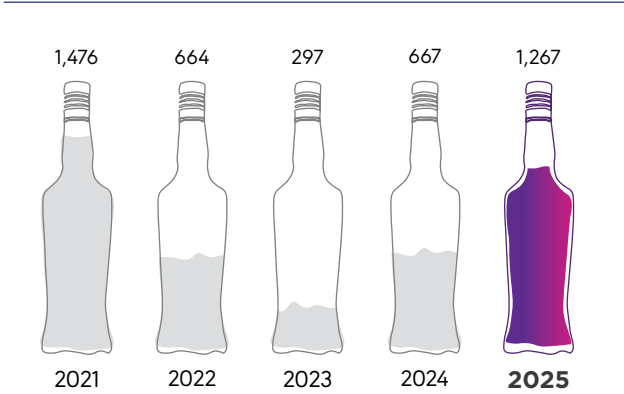
Pricing and Revenue Growth Management
(₹ Crores)



Working Capital to NSV Ratio (%)



Free Cash Flows (FCF)* (₹ Crores)



*FCF= Operating cash flow less capex and lease payments

Value-Added Statement



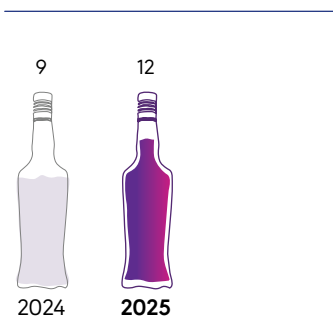
*excise duty and income tax expenses



Shareholder Value Creation

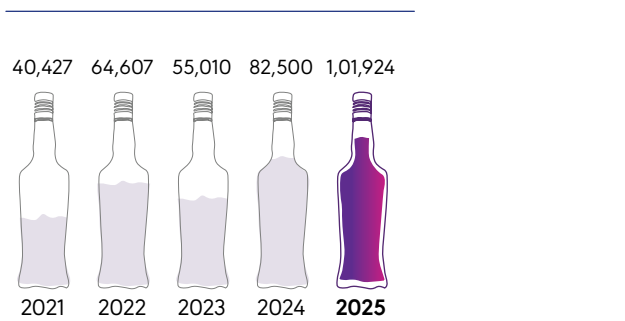
As a responsible corporate, we remain continually focused on maximising value for our investors and shareholders through sustained earnings growth and profitability. In FY 2024-25, the Board approved an interim dividend of ₹ 4 per share and recommended final dividend of ₹ 8 per share, translating into a payout ratio of 56%. Combined with 24% market capitalisation appreciation, this delivered total shareholder returns of 25% during the year. The surplus reserves are retained for business growth.

Dividend Per Share* (₹)



*including proposed dividend

Market Capitalisation (₹ Crores)



MANUFACTURED CAPITAL



Building Infrastructural Excellence

At the core of our spirit-making excellence lies our manufactured capital, driven by a relentless pursuit of precision, masterful craftsmanship, and world-class manufacturing standards. By harmonising well-preserved traditional mastery with cutting-edge technology, we ensure excellence at every stage of production – from selecting the finest raw ingredients and optimising the supply chain, to manufacturing and bottling. Our robust production capabilities enable us to craft exceptional, time-tested spirits of the highest quality with maximum efficiency. As we continue to innovate and refine our processes, we remain dedicated to strengthening our manufacturing excellence and elevating the art of spirit-making.

Key highlights FY 2024-25

36

Manufacturing facilities
(11 owned,
25 third-party)

~55K/39K

Retail/on-premise
outlets where products
are available

~61 Million

Cases produced

4.7%

Increase in production
over the previous year

UN SDGs Linked



Material Issues

M2 M6 M7
M9 M11

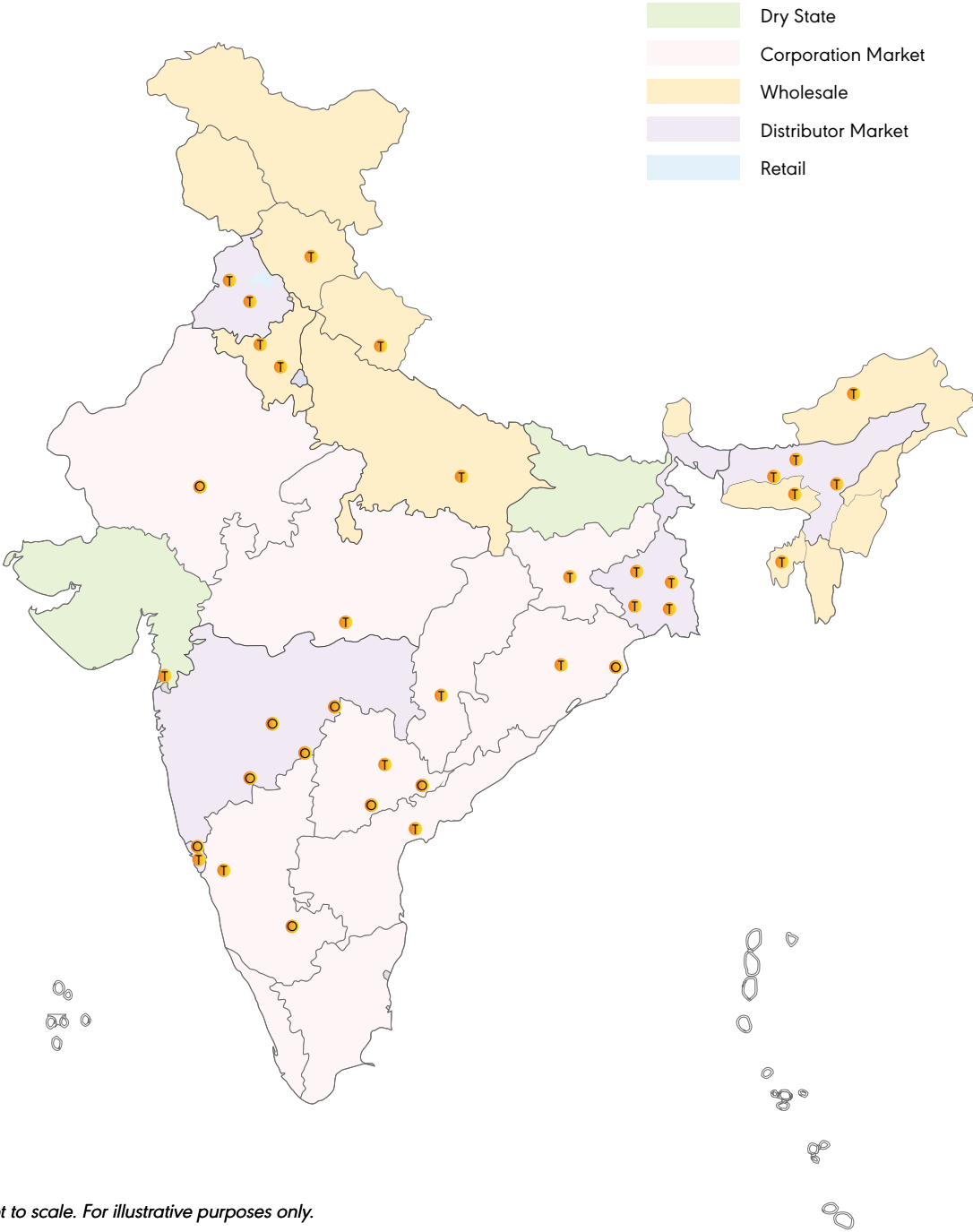
Strategic Priorities

S1 S2



Extensive Manufacturing Footprint

We have an extensive manufacturing presence across India, with products sold across 28 states and 6 union territories nationally and in 24 countries globally.



Map not to scale. For illustrative purposes only.

O: Own manufacturing facilities
T: Third-Party manufacturing facilities



11
Own manufacturing facilities



~1,700
Finished goods stock keeping units (SKUs)



~64 Million
Cases sold in FY 2024-25



1
Grape spirit distillery



47
Depots

All figures are as on March 31, 2025

Imports (During FY 2024-25)



1.4+ Million
Cases

Exports (During FY 2024-25)



24
Countries



25
Third-party manufacturing facilities



7,500+
PM (Types of Packing Material)



4
HBS (High Bouquet Spirit) hubs



600+
Customer drop points (direct despatch)



280+
Distributors across 25+ states

Imports (During FY 2024-25)



16.5+ Million
Litres of bulk scotch



0.8+ Million
Cases



67
Servicing markets



1,200+
RM (Types of Raw Material)



5
Malt facilities



350+
Trucks plying in a day



86
SKUs

Commitment to Quality Assurance & Food Safety

At Diageo India, we are committed to upholding the highest standards of quality, ensuring our products are safe and consistently meet consumer expectations and aspirations. We adhere to stringent internal quality standards, rigorous processes, and robust quality assurance practices.

Our hygiene and quality protocols are uniformly applied across our own and third-party manufacturing facilities. They comply with the requirements of the Food Safety and Standards Authority of India (FSSAI), as well as relevant state excise regulations and Legal Metrology Rules (LMR).

We employ a comprehensive quality management approach that spans product design, raw material sourcing, and final deliveries to consumers and customers. This approach ensures consistent quality assurance and food safety.

We test our finished products through a comprehensive range of physical, chemical, and microbial tests under GPIIP (Global Product Integrity Testing Programme). Additionally, our sensory panel members participate in an independent validation scheme, NSSPS (Neutral Spirits Sensory Proficiency Scheme).

We have also initiated capability building for our quality assurance laboratories through third-party validation programmes such as DAPS (Diageo Alcohol Proficiency Scheme).

Quality Assurance from Grain to Glass

Quality assurance from grain to glass is at the heart of our brands. The continuous improvement of quality and the enhancement of customer and consumer confidence in our brands are key determinants in the long-term success of Diageo India. We employ a comprehensive risk assessment system that spans the entire grain-to-glass journey, ensuring that every stage of the supply chain adheres to our stringent quality standards.

By integrating best-in-class practices, digital technologies, global risk management standards, local regulatory requirements, and automation into our systems and processes, we support our efforts with regularly updated quality norms and inspection processes. This holistic approach ensures consistent quality assurance and safety for all our products.

Holistic Quality Assurance Framework

• Raw & Packaging Materials:

We have a robust supplier management system to ensure our raw materials and packaging materials are sourced from approved suppliers to ensure best-in-class quality.

• Suppliers/vendors

We have a stringent supplier onboarding process, starting with qualification audits, periodic audits, and regular supplier performance management, including supplier handholding and technical support. We also work closely with suppliers to address and resolve issues, ensuring the delivery of the right product to our customers and consumers.

• Manufacturing

Our FSSAI-certified manufacturing units implement robust systems and processes to ensure the delivery of high-quality products. We conduct material inspections upon receipt and monitor quality online throughout the production process. Final product inspections ensure that our products are safe and meet quality standards. Additionally, every truck is inspected before despatch, guaranteeing comprehensive quality checks throughout our operations. We constantly collaborate with our third-party manufacturers with respect to technology and support in areas like system and process changes, capability building of internal teams, and also modifying infrastructure requirements. These interventions demonstrate our focus on delivering the right quality and safe products to our consumers.

• Distribution and On Shelf Quality

In the market, finished goods (FG) quality is assessed impartially under Diageo's Global Distribution Quality Standards (GDQS) by a third-party agency. We also engage an independent agency to conduct annual on-shelf quality assessments and competitor benchmarking. This ensures that quality is monitored throughout the supply chain, with insights integrated back into operations to drive a consumer-focused quality improvement process.

• Customer/Consumer Quality

We also have a robust third-party-managed customer complaint system, where consumers can raise concerns through calls or mails. A tiered governance mechanism ensures prompt redressal of any concern/issue at the root cause, along with corrective actions to prevent recurrence. The insights gathered are then integrated back into operations, driving a consumer-driven quality improvement process.

87%

of total complaints received (674) during FY 2024-25 are resolved and remaining in progress.

Quality Certifications and Recognitions

At Diageo India, we are committed to delivering products and services that adhere to the highest quality standards. By maintaining crucial industry certifications, we consistently meet our customers' expectations and comply with regulatory requirements.

Our compliance framework is aligned with our Integrated Management System (IMS), encompassing: ISO 9001:2015 – Quality Management, ISO 14001:2015 – Environmental Management, ISO 45001:2018 – Occupational Health & Safety. The certifications for all manufacturing facilities is in progress and will be completed in a phased manner.

Our manufacturing sites are certified under FSSC 22000 – a GFSI- recognised food safety certification. Currently, 10 out of 11 own manufacturing facilities and 20 out of 25 third-party manufacturing facilities are certified. The certifications for remaining manufacturing facilities is in progress and will be completed in a phased manner.

Our certification process involves:

- Regular internal audits and reviews to ensure compliance with applicable global internal standards.
- Continuous training programmes for employees to maintain proficiency and awareness of compliance requirements.
- Engagement with third-party certification bodies for periodic assessments and audits to validate our processes and systems.

These certifications reflect our dedication to continuous improvement in quality excellence, safety, and sustainability.

Health and Safety: Envisioning a Zero Harm Culture

Our commitment to Zero Harm drives every decision we make, ensuring the highest standards of safety. Through active engagement, empowerment, and continuous improvement, we foster a workplace where every individual takes ownership of safety. By championing innovation, accountability, and collaboration, we strive to create an environment where risks are minimised and well-being is maximised, ensuring no one gets hurt – whether at the workplace, on the road, or at home.

As part of our safety strategy, we have defined key pillars that guide us in our pursuit of safety excellence and our vision of Zero Harm. These focused pillars – Governance, Risk Mitigation and Management, Safety Culture, Digitisation and Analytics, and ERC (Engagement, Recognition and Certifications) – support various programmes and initiatives across our operations. These are led by line managers and supported by site and corporate EHS teams.

Our Global Risk Management System (GRMS) is adhered to at all business units, supported by strong governance, including audits and reviews. Leadership at all levels provides visible felt leadership by actively participating in safety reviews, conducting safety walkabouts, and ensuring teams across all locations are engaged through initiatives such as:

- i-Drive Safe (focused on driving and road safety).
- PSM – Process Safety Management.
- SBO – Safe Behaviour Observation programme.

Campaigns including National Safety Week, Road and Driving Safety Month, Strive for Zero, Stop Think & Do, Let's Refocus on Minds, and monthly campaigns on critical safety topics.

Under the Digitisation pillar, we are leveraging technology through the deployment of tools such as driving behaviour monitoring applications, digital LOTO (Lockout-Tagout) and Permit to Work systems, and Project ORCA. In the coming years, we will continue this journey with a range of projects, including modules for Management of Change, Control of Work, and Contractor Safety Management.

 Details on Safety initiatives are covered in Human Capital Section at page 115

Manufacturing Excellence at Diageo India

Compliance and Certifications

Alliance for Water Stewardship Standard Certification (Core)

to Alwar Distillery: first in Asia

10 out of 11

own manufacturing facilities
are FSSC 22000 certified

20 out of 25

third-party manufacturing
facilities are FSSC 22000
certified

Awards and Recognitions

In FY 2024-25, four of our units were recognised with prestigious EHS and sustainability awards, reflecting the strength of our mature EHS management system and leadership in workplace safety.

OHSSAI – EHS & Sustainability Gold Star Awards

- Kumbalgodu, Karnataka
- Alwar, Rajasthan
- Nimapara, Odisha
- Malkajgiri, Telangana

In addition, the Kumbalgodu Unit received the coveted **Gold Award at the CII Southern Region EHS Excellence Awards** for FY 2024-25, in recognition of its outstanding environment, health, and safety practices.

Single Malt Whisky of the Year and Gold Award

Awarded to Alwar Distillery at the prestigious London Spirits Competition for Godawan.

Malkajgiri Unit

CII FACE - Bronze Award (Food Safety & Quality Kaizen Competition Seminar 2024) for the L-4 RC-WHISKY-750ML Productivity Improvement Project, enhancing efficiency.

Gold Award in the Environment category at the **9th Annual HSE Excellence & ESG Global Awards** by OHSSAI (Occupational Health, Safety, Sustainability, and Environment Association of India).

Nashik Unit

CII FACE - Silver Award (Food Safety & Quality Kaizen Competition Seminar 2024) for the Biogas as an Unconventional Fuel Initiative.

Outstanding Performance Award at the 15th CII Food Safety Excellence Award 2024.

Kumbalgodu Unit

Performance Excellence Award (Manufacturing Category) at the **IMC Ramkrishna Bajaj National Quality Award (RBNQA).**

Gold Award in the OH&S category at the **9th Annual HSE Excellence & ESG Global Awards** by OHSSAI (Occupational Health, Safety, Sustainability, and Environment Association of India).

Goa Unit

FICCI Water Award with the **Special Jury's Award** under Industrial Water Use Efficiency at the **12th Edition of FICCI Water Awards.**

Nimapara Unit

Quality Circle Forum of India (QCFI) - Gold Award for presenting a Quality Circle Project on Glass Breakage Reduction.

Gold Award in the OH&S category at the **9th Annual HSE Excellence & ESG Global Awards** by OHSSAI (Occupational Health, Safety, Sustainability, and Environment Association of India).

Nanded Unit

CII FACE - Participation Award (Food Safety & Quality Kaizen Competition Seminar 2024) with a Certificate of Appreciation for the Modification of Tunnel Washer Bottle Carrier in Line-4 and OEE Improvement.

Baramati Unit

Quality Circle Forum of India (QCFI) - Gold Award for CPMH Improvement.

Meritorious Award at the National Convention on Quality Concepts (NCQC) – Gwalior for presenting CPMH Improvement at the National Convention.

CII FACE - Participation Award (Food Safety & Quality Kaizen Competition Seminar 2024) for the Centrelining at Packaging Lines Project.

Alwar Unit

Gold Award in the OH&S category at the **9th Annual HSE Excellence & ESG Global Awards** by OHSSAI (Occupational Health, Safety, Sustainability, and Environment Association of India).



Building a Culture of Quality

Fostering a culture of quality is crucial for achieving long-term success and ensuring customer/consumer satisfaction. This requires embedding quality at every level of the organisation, making it an intrinsic part of our operations.

Key Pivots to Nurture a Quality Culture

Clear Standards & Continuous Improvement

We have comprehensive management procedures in place to mitigate quality risks and protect consumers. These include an FSSAI-aligned product recall process and Global risk management standards. Our central and site steering committees monitor this process with the support of a Crisis Management Team (CMT) chaired by the Managing Director and CEO.

Each of our manufacturing lines undergoes hourly quality checks via a positive release mechanism. In addition, product mock recalls are conducted annually at every site to ensure emergency preparedness.

Distribution quality is monitored at select external depots, where 30% of boxes per truck are inspected during unloading, with results reported to Corporate Quality team. These insights are shared with manufacturing sites for learning and action planning. Annual third-party shelf assessments at select retail outlets – including on-shelf quality assessments based on Consumer Relevant Quality Standards (CRQS) – provide valuable insights, including competitor benchmarking. Regular tracking of these quality KPIs ensures consistent delivery of the right product to customers and consumers, supporting both purchase and re-purchase.

Employee Engagement & Capability Building

The organisation-wide quality initiatives at Diageo India are driven by a dedicated team of experts. New joiners receive a comprehensive in-house induction and refresher training, which includes various tools and techniques such as Six Sigma certifications. We are also establishing

a Centre of Excellence Culture in liquid and packaging quality through external agency training and certifications. Additionally, employees are encouraged to attend external trainings to stay updated with the latest developments.

A structured, calendarised ‘Gurukul Trainings’ programme is conducted weekly for the entire manufacturing teams, covering aspects of quality, global standards, and internal SOPs to ensure continuous awareness and adherence to quality standards across the organisation.

To foster continuous improvement, we engage in regular feedback collection, data analysis, and process optimisation.

Collaboration

We encourage cross-functional collaboration through various review forums to identify issues early, share knowledge, and achieve common quality goals.

Scaling Operational and Cost-Efficiencies

The implementation of best-in-class operational practices across our manufacturing systems and processes enables us to consistently deliver high-quality products while maintaining efficiency and optimising working capital. Key measures undertaken across operations include:

Strategic Sourcing

- Supplier assessments and monthly reviews by the Head of Supply to assess supply chain and ESG performances; necessary support and training provided for improvement and meeting our ‘Spirit of Progress’ ESG action plan.
- Segmenting and prioritising suppliers based on their performance across procurement and sustainability KPIs; best performers prioritised and recognised with the Supplier Grain to Glass Sustainability Award.
- Rigorous approach to awarding vendor contracts, incorporating standardised selection templates and sustainability questionnaires aligned with the ‘Spirit of Progress’ ESG action plan, with contractual commitments secured from high-impact suppliers.

- Know Your Business Partner (KYBP) standard to ensure suppliers share and imbue our values and position on bribery, corruption, sanctions and financial crime in their business activities.

Effective Raw Material Management

- Rigorous quality standards for all materials, from grain to glass, to produce superior products.
- Prioritising natural resource preservation and wastage reduction to ensure long-term success and cost efficiencies.

Optimising Inventory Management

- Maintaining optimal finished goods and packaging materials levels to meet demand without overstocking, thus reducing holding costs.
- Utilising advanced forecasting techniques to predict market trends, ensuring inventory levels and real-time demand alignment.
- Coordinating with suppliers for timely deliveries of packaging materials, ensuring alignment with production schedules and minimising delays.
- Back-up plans for critical suppliers, to prevent supply chain disruptions and ensure uninterrupted material flow during unforeseen circumstances.

Ensuring Regulatory Compliance

The alcohol industry is highly regulated by federal authorities at the national level, and the excise departments at the respective state level. Supported by domain experts, we ensure rigorous compliance with the regulations governing manufacturing and operations. Measures like regular audits and assessments, along with structured employee training programmes, ensure a culture of compliance.

Responsible Marketing & Labelling

Our marketing efforts are governed by the Diageo Marketing Code, Digital Code, Responsible Research Global Standard, and Data Protection Global Policy. The Diageo Consumer Information Standard sets minimum mandatory labels and packaging requirements for all our brands. It covers metrics like alcohol content by volume, slogans for responsible drinking, recycling and sustainability, ingredients list, and a reference to our global responsible drinking website - DRINKiQ.com.

We also have in place streamlined processes to ensure that the data used to generate on-pack labelling is compliant with applicable regulations and labelling policies. This ensures that clear and accurate ingredient information is provided to consumers to make informed buying decisions.

[Read more on page 135](#)



Transitioning to Smart Manufacturing

Our investments in advanced technologies are aimed at strengthening plant management and streamlining operations. These innovations enable highly efficient, reliable performance, ensure consistency in product quality, and drive optimal resource utilisation while minimising waste.

Some state-of-the-art technologies deployed at Diageo India include:

- Line Monitoring**
Ensures real-time production line monitoring to detect issues promptly, helping minimise downtime and maximise throughput.
- End-of-line Automation**
Pick-and-place machines used to efficiently transfer bottles from conveyors into the outer cartons, improving the packaging process.
- Bottle Inspection System**
A fully automated system to inspect both empty and filled bottles, ensuring right and safe product to the consumer.
- Cask Management System**
Barcoding for barrel identification to help track cask fills and maintenance history. Each barcode is linked to a specific physical location within the rack, allowing accurate tracking throughout the cask's lifecycle. A web application allows seamless access to this information.



Journey towards touchless planning

Our success in a competitive and regulated industry hinges on our ability to plan effectively. Deployment of advanced technologies enables smarter decision-making, streamlining processes, and optimising the overall efficiency of the supply chain.

Integrated Business Planning (IBP)

IBP has significantly enhanced our integrated business planning processes by providing a unified platform for demand forecasting, supply chain planning, and financial analysis. This leads to improved forecast accuracy, reduced inventory levels, and optimised production schedules, thus enhancing service levels and financial performance.

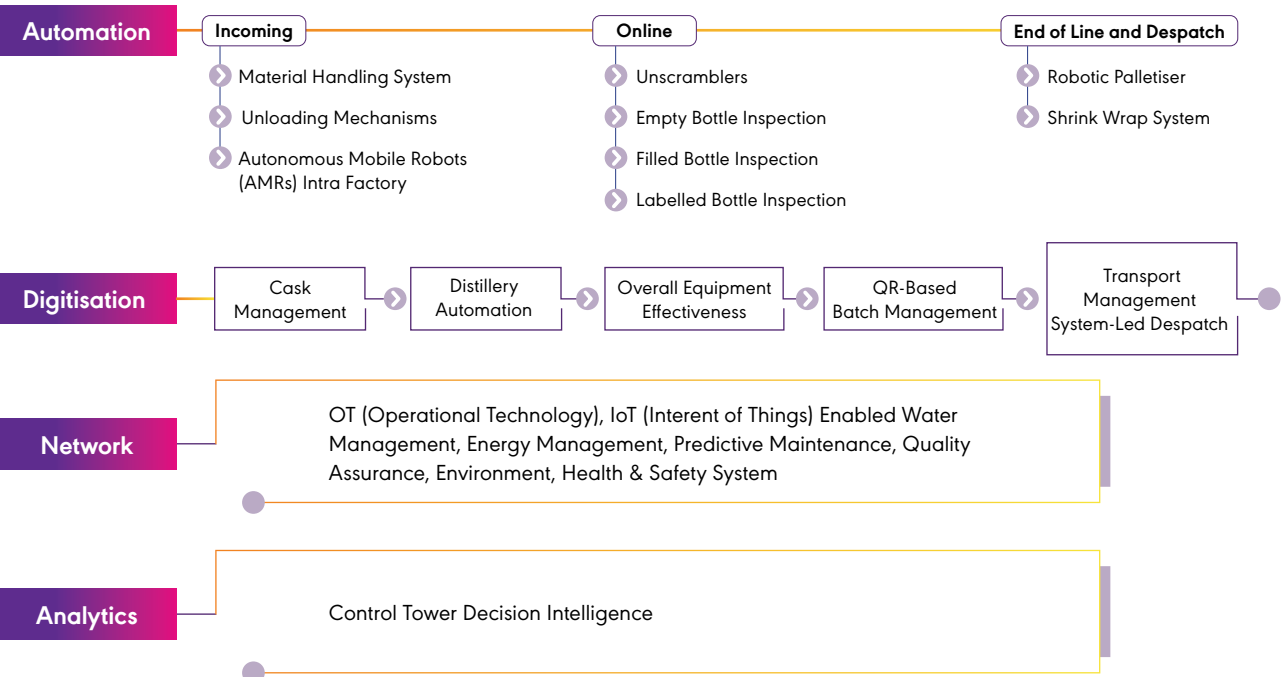
Transportation Management System (TMS)

TMS automates route planning, carrier selection, and freight auditing, reducing the overall transportation costs and improving load efficiency. Additionally, it improves delivery reliability and customer satisfaction by ensuring timely shipments.

Demand sensing

Demand sensing technology allows real-time capturing of diverse data to predict short-term demand fluctuations more accurately, thereby minimising stockouts and overstocking situations. This enhances inventory turnover rates and the ability to meet customer demands promptly, while also unlocking the potential to identify demand drivers.

Make a factory built for the future



Ensuring an Efficient and Responsible Supply Chain

Our robust end-to-end supply chain network ensures the seamless production and distribution of our products. With 47 depots, 280+ distributors and 600+ licensed wholesalers, our distribution system ensures sustained and timely product availability across markets.

We ensure supply chain resilience through a robust process for selecting suppliers based on their ability to effectively deliver services, materials, and timelines. This process is guided by our Partnering with Suppliers Standard, which covers key aspects of ethical business practices, human rights protection, health and safety standards, and environmental impact reduction. High- and medium-risk suppliers are also evaluated for business continuity and financial risks. In addition, we have integrated responsible sourcing practices, detailed on page 126 of this report.

Supply Chain Agility Programme

In FY 2022-23, we launched a multi-year programme to build a leaner, more reliable, and efficient supply chain designed to enhance Diageo India's future readiness and competitiveness. A key pillar of this initiative is footprint optimisation to become more asset-light and maximise capital efficiency. From 93 manufacturing facilities in FY 2014-15, we have consolidated operations to 46 by FY 2021-22 and further to 36 in FY 2024-25. This rationalisation is enabling leaner operations, better resource utilisation, and improved market responsiveness, while also driving higher volume growth.

We use the FSD (Factory-SKU-Depot) linear programming model to optimise our manufacturing and distribution network. The long-term goal is to operate one scaled facility per state to enhance localisation, minimise interstate movement, and reduce associated costs and taxes.

We have also achieved our target of co-locating bottling plants with Extra Neutral Alcohol (ENA) distillation units across all strategic supplier locations. This integration enables streamlined production, reduces transportation costs, and enhances overall supply chain efficiency. Producing the right-quality ENA on-site also improves product consistency and responsiveness to market demand.

Investing in the Future

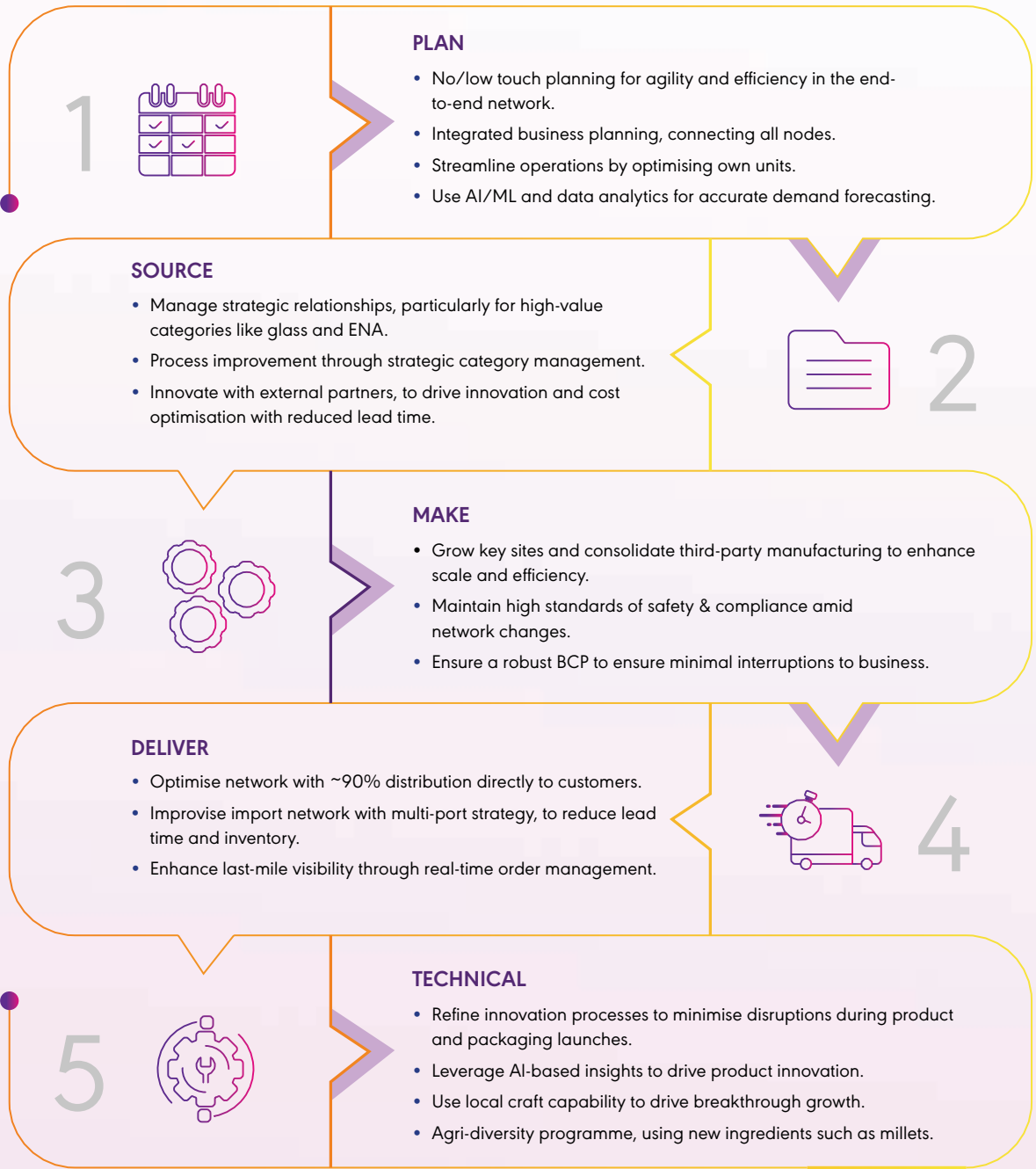
To support our growth agenda, we have outlined multiple capital expenditure programmes aimed at ensuring future readiness and meeting the rising demand for spirits in India. Key initiatives include:

- Capacity expansion to serve both premium and mass-market segments.
- Deployment of sustainable technologies to reduce environmental impact.
- Investment in new product development, packaging innovation, and customer experience centres to drive premiumisation.
- Transition from glass to PET bottling to improve cost efficiency, environmental performance, and serve mass-market needs.

- Establishment of warehouse storage systems to optimise space utilisation, backed by efficient and sustainable transport solutions for enhanced supply chain responsiveness.
- Digital transformation initiatives, including:
 - i) Smart systems for packaging, labelling, palletising, and quality control to improve efficiency and accuracy.
 - ii) IoT technologies for real-time monitoring, reduced downtime, and consistent product quality.
- Comprehensive supply chain transformation to future-proof operations and deliver higher stakeholder value.



Diageo India supply chain transformation programme 2024-2027



BRAND CAPITAL



Building Brands for Today and Tomorrow

Our exceptional portfolio of meaningful, distinctive and aspirational brands, all with a rich heritage, is desired by consumers across India. Anchored on sharp consumer insights and crafted from the finest ingredients, our brands at almost every price point in every category provide offerings for all kinds of occasions and celebrations. Led by our sustained investments in our Brand Capital, we continue to build on our market position, making us India’s one of leading and most respected company in the alcoholic beverages industry.

UN SDGs Linked



Material Issues

M1 M4 M5

Strategic Priorities

S1 S2 S3



50+

Spirit brands in portfolio

7

One Million-cases+ brands

89%

Sales from Prestige and Above segment

A portfolio catering to every consumer, occasion and price point

With old and new, large and small, global and local brands, Diageo India’s comprehensive portfolio is crafted to cater to diverse tastes and occasions across price points. Our deep understanding of evolving consumers and strong innovation capability enable us to continuously introduce new products and propositions to the market. This ensures we can meet a wide range of emerging consumer moments of social celebration, while giving us a clear competitive edge. Cognisant of the beautiful diversity that exists in India, across incomes, affordability, tastes and preferences, we have crafted our portfolio in a way that it has something for everyone, across all three Indias, for today and tomorrow.

Our Portfolio Comprises

Global giants

Iconic brands

Internationally renowned brands such as Johnnie Walker, Don Julio, The Singleton, Black & White, Tanqueray, Baileys, Cîroc, Ketel One, Smirnoff, Talisker and more, built over centuries, giving us a solid foundation and inspiring us to scale new heights.

Home-grown leaders

The Indian stars

Local brands such as McDowell’s No. 1, Royal Challenge, Signature, Black Dog, Royal Challenge American Pride, Antiquity Blue, Director’s Special and more, that have traditionally been market leaders in India and reflect local tastes and trends.

Luxury

A multi-award-winning portfolio

Fine spirits such as Godawan and McDowell’s Distiller’s Batch Single Malt, which are unique in provenance, heritage and journey, born in India and embraced by the world, with craftsmanship, innovative production and inspiring design, delivering a once-in-a-lifetime experience to consumers.

Innovation

Industry best-in-class practice

One of the few companies that prides itself on having a full-fledged in-house innovation capability to create new concepts, ideas and, most importantly, liquids, in line with existing and evolving consumer needs. From new liquids like Royal Challenge American Pride and McDowell’s X-Series to innovative packs like the Hipster, and fundamentally new ecosystems like The Good Craft Co., we have built a strong foundation to develop propositions that can move from zero to one and scale successfully in the market.

Diageo India Portfolio

Indian Whisky



Royal Challenge
American Pride



Antiquity



Signature



Royal
Challenge



McDowell's
No.1



Director
Special Black

Scotch Whisky



Johnnie Walker
Blue Label



Johnnie Walker Gold
Label Reserve



Johnnie Walker
Double Black



Johnnie Walker
Black Label



Johnnie Walker
Blonde



Johnnie Walker
Red Label



Black & White



Black Dog



VAT69

Malts



Talisker



Singleton



Godawan



McDowell's
Distillers Batch
Indian Single Malt

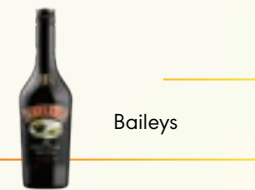
Beyond Whisky

Tequila



Don Julio

Liqueur



Baileys

Gin



Tanqueray

McDowell's X
Series Dry Gin

Vodka



Smirnoff

McDowell's X
Series Vodka

Ciroc

Ketel One

Rum



McDowell's
No.1 Rum

McDowell's X
Series Dark Rum

McDowell's X
Series Citron Rum

Captain
Morgan

Brandy



McDowell's
No.1 Brandy

DIAGEO INDIA PORTFOLIO EDGE

Offering Multiple Premiumisation Levers

Diageo India portfolio addresses the growing desire among India’s aspirational consumers to drink better. It offers premium choices in each segment, within brands, and in categories. This not only aligns with consumers’ preferences, but also drives a higher net sales value for the business, and strengthens brand equity and reputation.

PAUSE TO
SAVOUR



Premiumisation in the Category

Prestige & Above

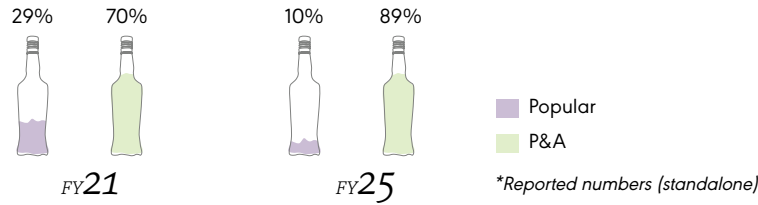
McDowell’s No.1, Royal Challenge, Signature, Antiquity, Royal Challenge American Pride, Black and White, Black Dog, Johnnie Walker, Smirnoff, Singleton, Tanqueray, Don Julio and others

Popular

Directors Special Whisky, McDowell’s Rum

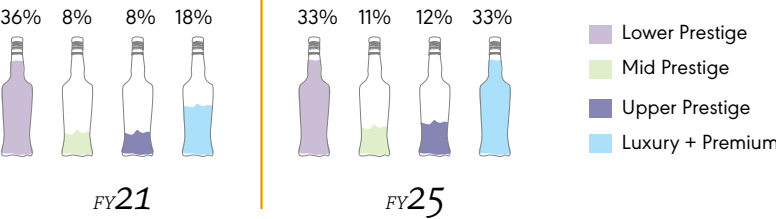
Popular upgrading to Prestige & Above

NSV Salience*



Upgrade within Prestige and Above Sub-segments

NSV Salience



Premiumisation within Segments Prestige & Above

Lower Prestige: McDowell’s No.1

Mid Prestige: Royal Challenge

Upper Prestige: Signature, Antiquity, Royal Challenge American Pride

Premium and Luxury: Black and White, Black Dog, Johnnie Walker, Smirnoff, Singleton, Tanqueray, Don Julio and others

Premiumisation within Trademarks

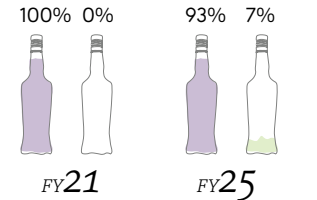
Johnnie Walker Blue Label, Johnnie Walker Gold Label Reserve, Johnnie Walker Black Label, Johnnie Walker Blonde, Johnnie Walker Red Label

Black Dog Triple Gold Reserve, Black Dog Black Reserve

Royal Challenge American Pride, Royal Challenge

Upgrade within Trademarks

Royal Challenge NSV Salience

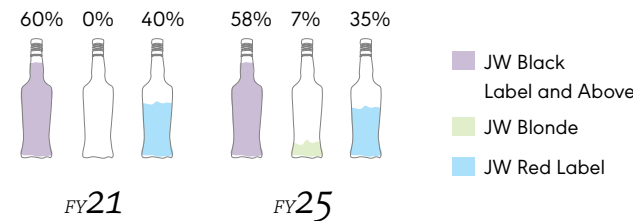


Royal Challenge
Royal Challenge American Pride

Black Dog NSV Salience



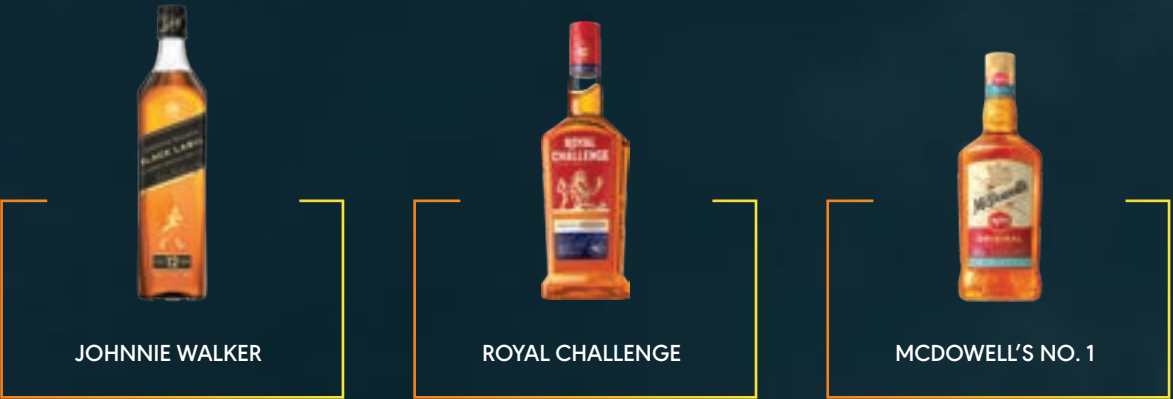
Black Dog Black Reserve
Black Dog Triple Gold Reserve



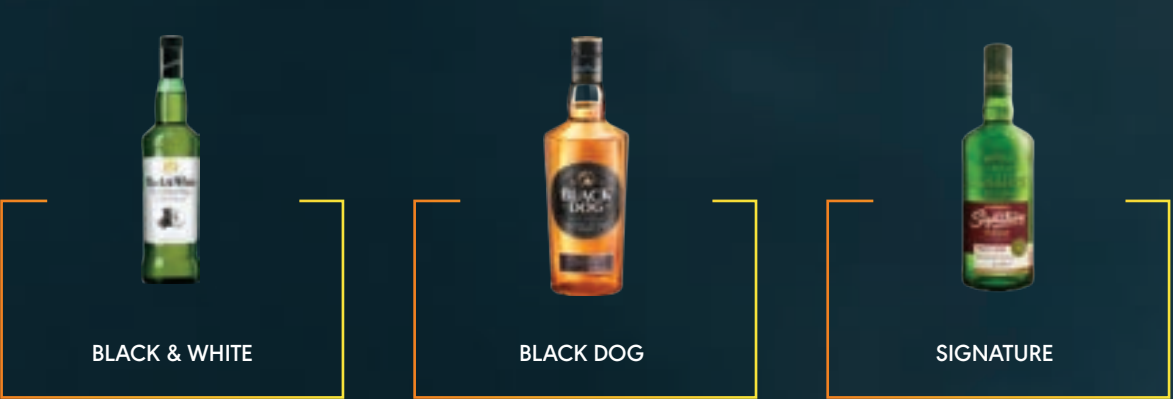
Dynamic Blend of Volume and Value

Our diverse portfolio of scale and loved brands deliver both volume and value

3 Brands with ₹ 1,000 Crores+ in revenue



3 Brands with ₹ 500-1,000 Crores in revenue



7 One-million-cases+ brands

10 Mn+



5 Mn+



1 Mn+



JOHNNIE WALKER



Black & White
Blended Scotch Whisky
Made For Sharing



BLACK DOG
SCOTCH WHISKY



Signature

Brands Showcase (Prestige)

House of McDowell’s

McDowell’s No. 1 Whisky

The spirit of true friendship

McDowell’s is the World’s No. 1 selling whisky, as rated by Drinks International Millionaire’s Club 2023 & 2024. It is the only Indian spirit brand in the Kantar BrandZ Most Valuable Indian Brands, ranked at no. 41. Crafted by blending scotch whisky and select Indian malts, McDowell’s brand, with its 125 years legacy, is now deeply entrenched among Yaars (friends) , making it synonymous with friendship and lending it unmatched market leadership over the years. From celebrating the bonds of friendship to enabling Yaars to express and acknowledge their Yaari (friendship), it has created a unique bond with its 25+ Million consumers across the 20 countries where it is enjoyed.



McDowell’s Indian Single Malt Whisky

First luxury single malt from world’s largest selling whisky brand

The all-new McDowell’s & Co Distiller’s Batch Indian Single Malt whisky redefines McDowell’s legacy for a new era driven by aspirational consumers. Distilled and matured in our Nashik Distillery, this triple-cask whisky represents the pinnacle of Indian whisky craftsmanship and luxury, guided by generations of expertise and commitment to quality. Initially matured in Ex-Bourbon and Virgin Oak Casks, it is then aged in Cabernet Sauvignon and Shiraz casks unique to the Sahyadri terrain, complementing the flavour with an exceptional vintage character. It boasts aromas of vanilla and rich fresh fruit, with gentle citrus and spice afternotes. Its velvety texture reveals complex layers of sweet wood and fresh fruity flavours, resulting in a mellow-sweet and lingering finish.

Its captivating bottle and label design, adorned with deep purple tones and veiled peaks, embodies the spirit of the region. Inspired by the breathtaking beauty of the Nashik Distillery, where casks are enveloped by mountain mists, it reflects the vibrant hues and mystical aura of this unique region.



McDowell’s X Series

An unexpected range of Rum, Gin, Vodka

McDowell’s X Series leverages the brand’s 125-year legacy in spirits to deliver exceptional propositions for the premiumising consumer. It marks McDowell’s expansion beyond whisky, to align with young LDA consumers’ evolving tastes. A natural progression, it combines tradition, with exciting offerings, targeted at adventurous new-generation consumers seeking fresh new experiences at accessible price points.

X series Unique Flavour Profiles

Citron Rum: A refreshing blend of French lemon and lime flavours and the unique character of Indian white rum, its unique luscious citrus flavour, when combined with Indian rum’s sweet and complex character, ensures a refreshing, sweet palatable liquid experience for zestful conversations.

Dark Rum: A distinctive blend of double-distilled Jamaican rum and full-bodied Indian rum, offering subtle vanilla notes and hints of spice, it perfectly balances dry fruit notes on the nose with a hint of spicy and jaggery notes on the palate, culminating in perfect warmth in the throat.

Dry Gin: Infused with natural Brazilian citrus and triple-distilled grain-neutral spirit, it balances the zest of oranges with juniper’s unique flavour, creating a crisp and elegant gin that is perfect for cocktails.

Vodka: Crafted from single-grain vodka, it is triple-distilled with charcoal filtration for a silky, buttery texture, pristine smoothness, and a crisp finish that enhances its refined character.

6,000

Bottles produced

Awards Won

- Three Bronze awards at the E4M IMA for Best Use of PR, Best Use of Omni Channel Marketing, and Best Use of Experiential Marketing.
- Four prestigious awards for the No. 1 Yaari Jam Fest Making ‘Yaari’ the ‘New Cool Campaign’ at IMA South Awards.
- Two silver awards for Brand Extension - Food and Beverages and Talent/ Influencer Marketing - Food & Beverages.
- Two bronze awards for Best Use of Integrated Media – Food and Beverages and Innovative Use of Technology.
- Silver award for Relationship Building/Remarketing at the E4M MADDIES.
- Four prestigious awards at the Indian Digital Marketing Awards 2023:
- Silver award for the Best Integrated Media Campaign – Films/ TV Shows/News Shows/Events award.
- Three Bronze awards for the No. 1 Yaari Jam Fest, making ‘Yaari’ the ‘New Cool Campaign’ for the categories of Best Website/Microsite, Best Campaign - Online.
- Advertising & Digital Direct Response, and Best Integrated Media Campaign - Product/Services.
- McDowell’s No.1 Soda IPL 2022 campaign won two Bronzes at the Exchange4media (E4M) India Marketing Awards for Best Use of PR and Best Use of Omni-Channel Marketing.
- McDowell’s No.1 won the Bronze for Best Brand Evolution and Best Brand Experience categories at the Transform Awards.

World’s largest selling

Whisky brand as per Drinks International Millionaires Club Report 2024 based on 2023 volumes

India’s most valuable

Brand as per Kantar BrandZ – Rank 41 for McDowell’s No.1

Royal Challenge Whisky

Celebrating Bold Choices

In 1886, our master blender defied convention to craft Royal Challenge (RC), an award-winning, international-quality Indian whisky, matured in a charred American Oak Cask. The all-new RC is a smoother, richer, and bolder liquid, which is a blend of Indian grain spirit and 10 scotch whiskies, with notes of vanilla, cream and mild wood.

RC has always been a millennial, aspirational, stylish, and confident brand with a bold persona, having a unique followership among Middle India consumers who embrace the proposition of being different and choosing bold. The brand is a thrilling celebration of boldness and inspires vertical invaders to live bold and play their own game in their everyday lives, just like RC whisky does, with its new winning taste and progressive, passionate spirit.



Royal Challenge American Pride

The Spirit of America — Blended with Bourbon



Launched in FY 2021-22, American Pride is a new world whisky that disrupts traditional category codes. With its disruptive liquid, and positioning against modern, outdoors, socialising and sessionable drinking moments, the brand challenges conventions. It is a blend of smooth American Bourbon with rare Indian Grain and Malt Spirits, matured in charred American Oak casks for a full-on flavour experience that is surprisingly smooth. It caters to the palates of emerging LDA consumers by creating a refreshing and savouring experience for a prolonged consumption session, while its premium and distinct packaging adds to the flaunt value.

The trademark Royal Challenge American Pride Soda is built around the aspirational imagery of Americana, and one of the sponsors for mega international acts like the Backstreet Boys Concert in India and Steve Vai.

Fastest-growing and scaled brand

In the upper prestige segment

23

States of presence in India

Awards won

- Silver award for packaging design at Graphis Design Awards 2024.

Signature Whisky

Crafted with natural ingredients

Signature, our flagship brand in the Upper Prestige segment, continues to disrupt the category, surpassing the three Million case mark in FY 2023-24. Anchored on future codes of aspiration and modern status, the brand caters to the consumer’s growing need for responsible and sustainable propositions with its new positioning - ‘One with Nature’. Its new, bold, and distinctive packaging features an iconic green embossed bottle, highlighting its authenticity and premiumness. It reflects the craftsmanship of our Master Blender, Louise Martin, who harmoniously blended nature’s finest barley, fresh water and ten imported scotches with aged Indian malts and fine grain spirits, making every sip a revelation and one truly ‘Crafted with natural ingredients’.

The brand’s new proposition embodies newer status codes and proposes conscious living as a mark of an evolved mindset and a progressive lifestyle. It inspires people to lead a better, conscious life of enjoyment, celebrating the goodness of nature. This is manifested through Signature Packaged Drinking Water’s partnership with Ziro, India’s No. 1 music festival anchored on sustainability, and support to ‘The Mangrove Replenishment Project’ spread across 60+ acres in Odisha. These efforts align with the brand’s vision of progress with purpose – reducing carbon footprint, empowering local communities, and creating a lasting impact.

Signature collection



Signature Premier

Signature Rare

Awards Won

- Gold Award at the IMA South Awards for the Ziro Music Festival Driving Sustainability campaign in the category of Brand Extension - Food and Beverages.
- Gold Award for Best Multi Mobile Channel Campaign category for the Signature Green Vibes campaign at the E4M MADDIES.
- Best IMFL Premium Whisky (Signature Premium Grain Whisky) at INDSPIRIT Awards 2023 by Ambrosia.
- Silver Award for Signature Packaged Drinking Water x ZIRO ‘23 Driving Sustainability in the Sustainable Marketing Category at the E4M IMA South 2024.
- Silver Award for Signature Green Vibes, category Sustainability, at the ET Shark Awards 2024.

#1 Brand Equity*

In the Upper Prestige segment

*Source : Diageo India brand tracker

Antiquity

An enduring legacy of whisky-making

Antiquity Blue embodies timeless grain whisky-making traditions, with roots in the Cameron Bridge Distillery. It is blended with scotch from the same distillery, using the process of grain distillation in copper pot stills. The whisky’s rich and inviting colour is inspired by the hue of antique gold. Pronounced malt and rich wood flavours are supplemented with a hint of peat and heather.

All-new Antiquity – an icon reimagined

With its unrivalled status in India, Antiquity Blue is celebrated among whisky drinkers for its highly rated unique liquid and iconic identity. To resonate with the existing loyal, discerning audience, as well as the new, young legal drinking age whisky consumers seeking distinctive experiences, we have introduced the all-new Antiquity Blue.

The new whisky is an expression for those seeking exciting new stories and experiences, and who appreciate quality and aesthetics. It encapsulates two key elements of the brand – the superlative product anchored in the original art of whisky-making and the spirit of creativity. Its distinct off-centred cobalt blue bottle is a homage to the iconic Antiquity Blue bottles first released in 1992. The Heron on the label symbolises grace and elegance, and in flight, it embodies the spirit of fearless exploration and limitless possibilities.

Awards Won

- Silver award for packaging design at the Graphis Design Annual 2023.
- Best IMFL Super Premium Whisky at Ambrosia INDSPIRIT Awards 2024.



Brands Showcase (Luxury + Premium)

Godawan

A new world of sustainable, modern, mindful Indian luxury!

Godawan is an artisanal single-malt whisky crafted in Rajasthan, representing the true spirit of the resplendent desert. With the majestic and endangered native Great Indian Bustard as its mark, it pays tribute to the land’s nurturing heritage. Crafted from locally sourced six-row barley, and matured in Rajasthan’s warm, dry climate with temperatures often reaching 100°F, Godawan uses innovative cask architecture and rare Indian botanicals to deliver incredible depth of flavour and it is available in two distinctive expressions: Godawan 01, Rich and Rounded, and Godawan 02, Fruit and Spice.

In 2023, the brand’s journey took a global turn with the launch of Godawan 100 Collector’s Edition in Rajasthan and Dubai, highlighting the bird’s critical plight and dedicating the proceeds towards its conservation efforts. We also forged an exciting partnership with the Taj Group of Hotels, based on our aligned goal of promoting luxury with a conscience approach. A limited edition of Godawan crafted exclusively for the Taj Palaces was launched at Taj Palace Mumbai.

Aligned with our commitment to the ‘Make in India’ initiative, we partnered with the Agricultural & Processed Food Products Export Development Authority, Ministry of Commerce & Development (Govt of India), to jointly showcase Godawan at trade events like Indus Fest (Uttar Pradesh) and IFE London.

Awards Won

- Two Gold awards for the second year in a row at the prestigious Monde Selection Whisky Awards, and four Golds at the London Spirits, and a Silver at the Denver International competition for liquid innovation.
- One Gold Award and two Silver Awards for Packaging Design at the FAB Awards and Graphis Design Annual.
- Two Gold awards for Best Use of Visual Property and Best Use of Packaging Design, and Bronze award for Best Strategic and Creative Development of a New Brand by Transform Awards Asia.
- Silver award for Dark Spirits Packaging Design and Bronze award for Godawan 100 Packaging Design at the Harpers Design Awards.
- Two Baby Blue Elephant awards for Godawan Packaging Design and Godawan 100 Luxury Packaging Design by Kyoorius Design.
- Two People’s Choice awards for Packaging Design and Brand Design, and a Bronze award for Packaging Design by Creativepool Annual.
- Two Gold awards for Packaging Design and Best Brand Identity at afaqs Marketers’ Excellence Awards.
- Bronze award for Brand Design & Packaging Design at the International Spirits Challenge.
- Best Packaging award (graphics) at Ambrosia INDSPIRIT Awards 2024.



Sustainable and mindful Indian luxury

Made in the AWS certified Alwar distillery; embodies our commitment to conserve The Great Indian Bustard and supporting local communities with water security

Highest awarded

Indian single malt in FY 2023-24 with over 85 accolades till date and counting, for best-in-class liquid, packaging and communication

International expansion

Expanded to new international markets of Bahrain and Malaysia and opened duty-free stores in Mumbai and Dubai airports

16

States of presence in India

Johnnie Walker

The World's No.1 Scotch whisky



Johnnie Walker Range

- Johnnie Walker Red Label
- Johnnie Walker Black Label
- Johnnie Walker Double Black
- Johnnie Walker Gold Label Reserve
- Johnnie Walker Blue Label



A cultural icon with a 200-year legacy, Johnnie Walker is enjoyed and embraced across 180+ countries. Its journey started in 1820 in Kilmarnock, when founder John Walker pushed the boundaries of what whisky could be, and today it is one of the world's most enjoyed scotches with a strong equity amongst all international whiskies. In the last 25+ years, the brand has continued to inspire with its philosophy and iconic slogan – 'KEEP WALKING', deepening its cultural relevance among the next generation of whisky drinkers.

In India, Johnnie Walker has an iconic presence, right from the British Raj era and carried forward in culture through Bollywood cinema. In recent years, the trademark has championed cultural and collective progress by partnering with diverse talent and communities. These extend from local collectives like Aravani Art Project and Echoes of Earth, to global iconic talents like John Legend, Raja Kumari and more, along with marquee music moments like Lollapalooza India etc.

Currently, Johnnie Walker Scotch Whisky caters to diverse segments of affluent India, with offerings across price points and taste preferences for different consumers. From Red Label as the entry level Scotch to the iconic and popular Black Label, to the special occasion Gold Label Reserve, to the ultimate luxury icon in Blue Label, and more recently a refreshing and flavourful Scotch designed specifically for the preferences of younger LDA consumers, Johnnie Walker Blonde. As a pioneer of 'Scotch drinking culture' in India, the brand is dialling up its play in contemporary culture appealing to the next generation of luxury consumers. Efforts include introducing a variety of blends and curated experiences at leading bars and music festivals and being at the forefront of modern retail transformation to create standout off-trade visibility. With this, Johnnie Walker continues to elevate how the brand is experienced and perceived by consumers.

Johnnie Walker Red Label

A social mixer created with long drinks in mind

This is our entry-level Scotch in the portfolio. It is a delicious result of up to 35 whiskies, including many of Scotland's most celebrated single malts and grain whiskies from Speyside, Highlands, Islands and Lowlands.

Johnnie Walker Black Label

The soul of the portfolio

This is a 12-year iconic blend that includes more than 30 single malts from the four corners of Scotland.

Johnnie Walker Gold Label Reserve

Perfect for celebration and indulgence

This is a part of our luxury portfolio. It makes a statement, perfect for those occasions of celebration and indulgence. A versatile blend, only the finest make the Gold Label Reserve Standard.

Johnnie Walker Blue Label

Luxury redefined

It is a rare flavour and the pinnacle of luxury. Only 1 in 10,000 casks has the richness and character required to craft this liquid. There are layers here, and as you taste it you experience each of it in waves. With Blue, there's always something more to discover.

Johnnie Walker Blonde

A new expression for casual, daytime drinking occasions

The latest addition to the Johnnie Walker family, this versatile, well-rounded, and made-for-mixing whisky is crafted using whiskies predominantly matured in first-fill American oak casks. Bursting into life when its sweet, bright, fruity flavours mix with lemonade and orange, it is perfect for golden sundowners and casual moments, best enjoyed when shared with good friends. This new expression captivates both whisky enthusiasts and new drinkers, and also those who enjoy experimenting and mixing drinks for smooth, sessionable drinks beyond classic scotch.

28

States of presence in India



Awards Won

- Gold award at the Exchange4media (E4M) Indian Marketing Awards (IMA) for Johnnie Walker ReVibe campaign, and Silver for Brand Rejuvenation for the Walker's & Co. campaign.
- Silver award at the Emvies Awards for the Best Media Innovation Digital Social Media category for the Johnnie Walker Refreshing Mixer Drone Campaign.
- Two Bronze awards at the E4M IMA South Awards for The Walker's and Co. campaign.
- Bronze award for Community Building for Walker's & Co. campaign at the E4M The Mobile Marketing Awards (MADDIES).
- Won six distinguished honours at the prestigious Indian Digital Marketing Awards 2023:
- Two Gold awards for the Best Use of Topical Posts in a Campaign and Breakthrough Technology as Part of Campaign categories, two Silvers for the Best Use of Experiential Tech for Digital & Physical Experiences and Best Digital OOH Campaign categories, and one Bronze for Leveraging Social Media to Boost Brand ROI & Engagement for the Spotted a Mysterious Walker in the Skies of Goa campaign.
- Bronze award for Best Digital OOH Campaign category for outstanding work with Walker's & Co.
- Johnnie Walker Blonde Blended Scotch Whisky won the INDSPiRiT awards by Ambrosia for Best Blended Premium Scotch Whisky (BIO) and Best Packaging Award (overall aesthetic).
- Exchange4media (E4M) The Mobile Marketing Awards (MADDIES): Gold for best innovation: Johnnie Walker Refreshing Mixer Drone Show.
- ETBrandEquity Brand strategy awards: Gold for the Johnnie Walker Refreshing Mixer Drone Campaign in the Tech Enabled Media Plan category.

#1

Brand equity in Scotch Whisky*

*Source : Diageo India brand tracker



Black Dog

Pause to Savour with Black Dog

A classic old favourite Scotch brand, the Black Dog underwent a complete transformation in packaging, liquid (for Triple Gold Reserve variant), retail visibility, and communication in 2021. At the same time, the launch of the 14-year-old aged variant, Black Dog Millard's Private Reserve, marked a pivotal moment in the brand's journey of expansion and excellence. With this reappraisal, Black Dog shifted scotch codes from traditional, old-world to contemporary and international, leading not only to share gains and volume growth but also resulting in Black Dog becoming the brand with the highest equity in the international whisky category.

Awards Won

- Silver award for Design Effectiveness at the Pentawards, and two Silver awards for Logo Design and Packaging Design by Graphis Design Annual.
- WorldStar Award for packaging from the World Packaging Organisation.
- Black Dog 14-year-old Blended Scotch Whisky won the INDSPiRiT awards by Ambrosia for the Best Blended Scotch Whisky (12 Years & above BII) and Best Packaging Award (Unit Pack).
- Exchange4media (E4M) India Design Excellence Bronze Award for Black Dog Renovation under the rebranding category.
- Silver for Best Brand Evolution and Bronze for Best Visual Identity from the Food & Beverage sector, and Best Use of Packaging categories at the Transform Awards.
- Afaqs Marketers Excellence Award Silver for Packaging Design and for Best Brand Identity System.

#1 Equity*

Bottled in India Scotch brands

*Source : Diageo India brand tracker

Black & White

A scotch made for mixing and sharing

Black & White is a result of James Buchanan's mission to create a whisky for all in 1904. It smoothly balances and elevates everyday moments, encouraging the consumer to share a better, richer life. It is enjoyed across multiple countries, including India and South Africa, and also across Latin America and the Caribbean. The accessible liquid is highly relevant to next generation LDA consumers, especially in occasions with mixed gender groups and food pairing. Inclusion is at the core of Black & White, creating memorable spaces to celebrate diverse perspectives and foster genuine connections, making it a brand that deeply resonates with its consumers.

One of the fastest growing

Scotch brand



Awards Won

- Gold award for Brand Extension - Food and Beverages category, and Silver award for the Best Use of Digital Marketing/ Social Media – Social Impact category, at the E4M IMA South Awards for Black & White’s Inclusivity and Diversity campaign.
- Bagged three awards at the E4M MADDIES 2023:
 - Gold award for Gender Equity.
 - Silver award for Maximising Mobile Advertising / Programmatic and Machine Learning category, and a Bronze award for Best Use of Social Media for the Black & White X Bobble campaign.
 - Silver award in the Best Mobile Marketing Campaign category, and a Bronze award in the Best Digital Campaign category for the Black & White X Bobble campaign at the Dragons of Asia Awards, 2023.
- Gold award for the Best Use of Technology, and Silver award for Best Use of Sports or E-Sports Marketing categories for the Black & White X Bobble campaign at the E4M IMA 2023.
- Bronze at the ETBrandEquity Brand Strategy Awards for the Black & White Ginger Ale Magic of Sharing campaign in the Digital Media Plan – other platforms category.

The Singleton

Slow batch distilled, a whisky worth savouring!

Slow-crafted with care and passion, the Singleton is a balanced single malt whisky that is easy to drink and deliciously enjoyable. It is made by hand selecting and malting our own barley, carefully applying long fermentation and slow batch distillation, and expertly harmonising the flavours of both European and American oak casks. This makes the Singleton a uniquely versatile single malt that will take you back to Scotland. Singleton breaks away from formal and serious traditional single malt, offering an accessible, informal and casual appeal that resonates with modern trends and new consumers.



The Singleton Range
The Singleton 12-year-old
The Singleton 15-year-old
The Singleton 18-year-old

Awards Won

- | | | |
|---|--|--|
| Glen Ord 12-Year-Old <ul style="list-style-type: none">• 2023 Two Stars at the Great Taste Awards.• 2023 Gold winner at the Luxury Spirits Masters. | Glendullan 12-Year-Old <ul style="list-style-type: none">• 2024 Double Gold winner at the San Francisco World Spirits Competition.• 2024 Silver winner at the International Spirits Challenge. | Dufftown 12-Year-Old <ul style="list-style-type: none">• 2024 Double Gold winner at the San Francisco World Spirits Championships.• 2023 Gold winner at The International Spirits Challenge. |
|---|--|--|

Don Julio

World’s celebrated luxury tequila, now in India

The brand was founded in 1942 by Don Julio González-Frausto Estrada at the ‘La Primavera’ distillery in Jalisco highlands of Mexico. Dedicated to producing high-quality tequila and setting new benchmarks in supremacy, he planted each agave apart, to allow proper room to grow and fully mature before harvesting.

Continuing this legacy, the tequila is today crafted using only the highest-calibre, fully matured and ripened blue agave, hand-selected from the Los Altos region’s rich clay soils. The use of traditional methods, including brick ovens for cooking and copper pot stills for distillation, lends an extraordinary flavour to this tequila. This dedication to craftsmanship sets it apart from mass-produced tequila, making it the choice of choice for the crème de la crème of the film, fashion, music and art fraternity globally.

With the massive surge in the desire for luxury consumption among India’s rising new class of luxury explorers who appreciate exceptional quality, we have introduced Don Julio’s portfolio – Blanco, Reposado, Anejo, and the iconic luxury spirit 1942 – in India. An essential must-have at parties and the ultimate drink of choice, it made a mark with a star-studded launch, and is set to craft unforgettable experiences.

Awards Won

- MUSE Platinum Winner to Don Julio 2024.
- San Francisco World Spirit Competition (SFWSC) Gold Medal to Don Julio 70 2023, Don Julio 1942 2023, Don Julio Rosado 2024, and Don Julio Añejo 2024.
- Hermes Platinum Winner to Don Julio 2024.

20

States of presence in India

Largest play

In Premium Tequila grew by 95% in FY 2024-25

Don Julio Range

- Don Julio Blanco
- Don Julio Reposado
- Don Julio Anejo
- Don Julio 1942



Smirnoff

World’s No. 1 Vodka brand

Smirnoff is globally renowned for its quality and unique manufacturing process, involving three distillations and 10 stages of charcoal filtration. From its launch in Russia in 1864 by Vladimir Smirnoff, to its re-establishment in Europe over a century ago and entry in America in 1934, the brand has survived and thrived through the decades. Initiating the 50s cocktail revolution and revolutionising the 90s club culture, it is still the drinker’s and bartender’s choice across the globe. Through the years, it has championed inclusive cultures, shaped defining moments in the film and showbiz industry, fuelled EDM’s rise, and differentiated itself with the largest range of flavours globally.

More recently, the brand is re-inventing itself to connect with the next generation through a globally consistent brand idea of ‘We Do We’ speaking to their ethos.

In addition, we’ve launched three new exciting flavours (Minty Jamun, Mango Mirchi and Zesty Lime) in line with local taste preferences of the Indian consumers.

Smirnoff Range

- Smirnoff Vodka No. 21
- Smirnoff Green Apple Vodka
- Smirnoff Orange Vodka
- Smirnoff Mirchi Mango Vodka (New)
- Smirnoff Minty Jamun Vodka (New)
- Smirnoff Zesty Lime Vodka (New)

Fourth largest*

International spirits brand by retail sales value

*Source - IWSR (International Wine and Spirits Record)



Tanqueray

Bartenders Choice of Gin*

An iconic spirit brand, Tanqueray is the result of Charles Tanqueray’s pursuit of a definitive London Dry Gin, experimenting with some 300 recipes to finally arrive at this one. Over the years, his vision has become a legacy, with Tanqueray now at the heart of all celebrations. This dry, crisp gin with rich juniper flavour makes the most refreshing gin and tonics and the driest of martini cocktails. In India, Tanqueray has been built around the culture of brunches and by participating in the popular up-market culture properties like ‘Emily in Paris’, as well as in the cocktail culture in bars and across events and experiences in the top cities of the country.

*source : Drinks International



Tanqueray

- Tanqueray No. TEN Distilled Gin
- Tanqueray London Dry Gin
- Tanqueray Malacca Distilled Gin
- Tanqueray Rangpur Lime Distilled Gin

Awards Won

- Gold Medal at Bartender Spirits Awards 2023 and #1 most trending gin; Tanqueray no. TEN selected #1 bestselling gin and #1 bartenders’ favourite gin at Drinks International Awards 2022.
- In a poll by ‘The World’s 50 Best Bars’ (reported in Drinks International’s The World’s 50 Best Bars Annual Report 2016), Tanqueray ranked best-selling and overall favourite spirit.
- Tanqueray London Dry won multiple international awards, including Double Gold, at the San Francisco World Spirits Competition.

Other Brands

1. Ketel One
2. Talisker
3. Ciroc
4. Captain Morgan
5. Baileys

A rich and wide portfolio of other global favourite brands that have their own following of consumers who choose these brands for different occasions and taste preferences, like Ketel One Vodka, Talisker Single Malt, Ciroc Vodka, Captain Morgan Rum, Bailey’s Irish Cream and others.



Engaging Consumers through Experiences

Consumer preferences are increasingly driven by experiences as much as by the products. Through FY 2024-25, we have deployed innovative and exciting campaigns and experiential events, driving exceptional outcomes in elevating our brand perception and market position.

Celebrating everyday life with powerful campaigns



House of McDowell's Soda 'Yaari Jam'

Yaars of Mumbai witnessed an ultimate Friendship Day Celebration on August 4, 2024 with a musical extravaganza. The 5-hour event was the first fully ticketed Yaari Jam with a stellar line-up of artists, including Sanam, Ritviz, Zaeden, Anuv Jain, Lisa Mishra and Lothika Jha. The occasion saw 7,000 consumers grooving and singing to the latest chart-topping hits. Consumers also got a chance to sample the new line-up of McDowell's X Series vodka, gin and rum.



Choose Bold

The Royal Challenge Packaged Drinking Water (RC PDW) has made a strong cultural impact through its association with cricket. This passion is dialed up via our communication platform 'ChooseBold'. #ChooseBold celebrates the moment of bold choice. The differentiate philosophy is not about who you are, where you come from, who you know, or what you know. What you choose defines who you are and where you are headed. Will you choose safe or Choose Bold?

With this powerful call for the consumers to 'play their own game', the campaign deepened cultural relevance through the 'Naya Sher' anthem and a scale campaign around choose bold through a creative film with high-impact linear storytelling. In FY 2024-25, we took activations to the next level. RC PDW collaborated with the IPL team RCB as the exclusive 'cheersquad partner, introduced Bold Sherni, the first-ever female superfan mascot, during the WPL, and went viral with the Naya Sher Hookstep.



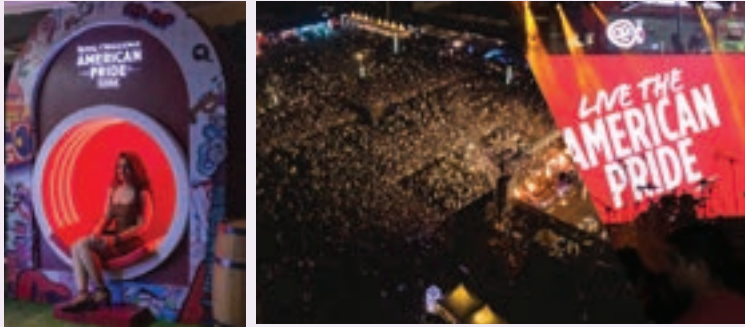
Signature Packaged Drinking Water X Ziro Festival of Music

New-age consumers are proactive, informed, and intentional in their choices, seeking meaningful experiences and aspiring conscious living. Signature Packaged Drinking Water, built around the 'Live Good, Do Good' philosophy, joined forces with Ziro Music Festival, one of India's most eco-friendly music festivals, to offer consumers a unique fusion of music, culture, and sustainability.

Set in the stunning Ziro Valley of Arunachal Pradesh, the festival featured a stellar line-up, with immersive experiences, farm-to-table cuisine, eco-conscious initiatives, and local craftsmanship celebrating the region's heritage. Our partnership brought together nature enthusiasts and music lovers to champion eco-conscious living, enabling meaningful connections with nature.

International experiences with Royal Challenge American Pride Soda

In an era where music defines lifestyles, Royal Challenge American Pride Soda has strategically leveraged the platform to engage and activate new-age consumers. By partnering on experiences with iconic acts like Ed Sheeran, we have tapped into spaces that resonate with our audience’s lifestyle. This year, we expanded our reach with 20+ national events across the country, with 200K+ footfall and 79 million+ reach and creating unforgettable brand experiences.



Black & White Ginger Ale - Table for Everyone

To appeal to our target consumers of LDA-29 Black & White Ginger Ale, ‘Table For Everyone’ serves as a distinctive platform to harbour conversations and catalyse sharing. With inclusivity and diversity at its core, it creates a warm space for connections to thrive over authentic experiences. We have been consistently delivering curated experiences, with iconic storytellers and across festivals like Zomaland and Spoken Fest. With ~41 inclusive and engaging events held across metros and boom towns, Table for Everyone has reached 200 million consumers across platforms, creating a distinctive and meaningful brand impact.



Johnnie Walker Refreshing Mixer Non-Alcoholic partners marquee cultural festivals and tours

Indian consumers are redefining luxury, while seeking individuality, bold self-expressions, and unique experiences. Johnnie Walker Refreshing Mixer, a brand associated with progress and exploration, partnered with some of the biggest acts, music festivals and bold boundary-pushing artists to connect with these audiences. The associations included Prateek Kuhad’s Silhouettes Tour, Zomato Feeding India Concert ft. Dua Lipa, Dil-uminati Tour, Echoes of Earth, and Lollapalooza India.

These bold collaborations, rooted in the ‘Keep Walking’ brand ethos, brought our brand’s spirit to life in culturally relevant spaces, engaging the audience seeking unique and meaningful experiences. With an estimated 200K+ people reached across 10 major cities, we connected with audiences by celebrating creativity, progress, and cultural voices, reinforcing the brand’s commitment to inspiring everyone to keep moving forward.



Don Julio x Día de los Muertos celebration

Don Julio, one of India’s finest luxury tequila, took over the country with a captivating celebration of the iconic **Día de los Muertos (Day of the Dead)**, an ancient Mexican tradition that joyously honours the spirits of the dead. With a stunning fusion of culture, innovation, and breathtaking visual experiences, the festival celebrated life, death, and everything in between, in a transcendent experience that blurs the boundaries between the past and the present. The celebration included four grand events across the iconic Indian cities of Mumbai, Bengaluru, Delhi and Kolkata, featuring a ‘Day of the Dead’ parade, offering guests a unique chance to witness the delightful reunion between the living and the dead. Notable celebrities, including Tara Sutaria, Pulkit Samrat and Kubbra Sait, along with key figures from the worlds of entertainment, fashion and culture, graced the events. These helped garner an organic earned media reach of 12 million+ and sparked buzz around the Don Julio brand.



The Singleton Social with NICOBAR

Being one of the firsts in the category, we also launched a unique collaboration for The Singleton in India titled ‘The Singleton Social x NICOBAR’. To amplify the launch, a series of immersive events were conducted across Mumbai, Delhi, Kolkata, Hyderabad and Bengaluru, securing a media reach of 5 million+ with coverage across publications like Mid Day, The Telegraph, and more.



Redefining Consumer Engagement in an Omni-Channel Age

Royal Challenge Trip to Dubai

In line with changing consumer behaviour, spending time seamlessly between physical and digital worlds, we launched an omnichannel promotion that saw 7 lakh consumer participation across 15,000 retail stores.



Royal Challenge American Pride 'Ticket to Vegas'

In line with the brand's American world, this high-impact campaign was rolled out across key markets in India. The activation embodied the bold, free-spirited lifestyle of Royal Challenge American Pride, and brought consumers closer to the brand in an authentic way.



Signature: Elevating Consumer Engagement in a Connected World

Signature redefined consumer engagement in the digital age through a seamlessly connected journey crafted specially for its association with the Ziro Music Festival. We started by understanding what a day in the life of our consumer looks like and built a connections plan that blended naturally into it. From showing up on their Instagram feeds – clocking over 116 Million screens in all – to strategic hoardings across key markets, we were unmissable. A Spotify collaboration brought alive the sounds of nature, and along with WhatsApp activations, creating buzz and anticipation. The festival itself was a canvas of Instagrammable moments, amplified further by popular influencers like Sahiba Bali, Ahilya Bamroo, and Rapper Big Deal sharing their Signature stories from Ziro.



Johnnie Walker

This year, the brand successfully advanced its first-party data (1PD) strategy by leveraging its play in experientials and engaging consumers through digital touchpoints before & during their interactions with the brand. These targeted activations attracted large number of affluent consumers, strengthening our data driven marketing capabilities.



All Things Social Celebration



With rising income levels, purchasing power, and access to the best that the world has to offer in the palm of their hand, Indian consumers are increasingly looking to know more, learn more, create more, and socialise more, but all in their own personalised ways. For this next-generation consumer who wants to celebrate their vibe uniquely, we have created a content and community platform, The-Bar. With cocktail recipes, home hosting inspiration and ideas, AI-based personalised flavour profiler, interactive cocktail maker, information around Diageo India brands, and lots more, The-Bar is a one-stop destination for all things social celebration. Over the last year, this platform has become one of the highest visited websites across the Diageo world, with excellent user engagement across the website and on social media.

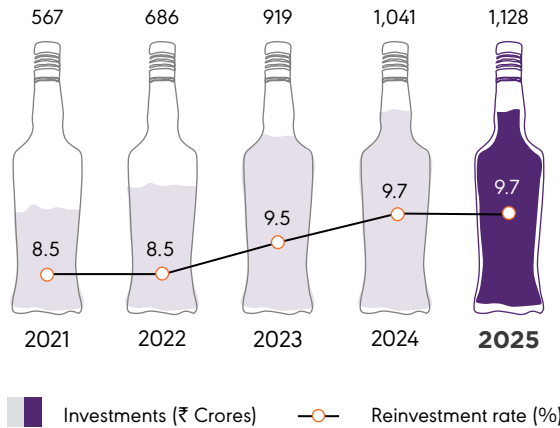
[Know more at in.thebar.com](https://in.thebar.com)

Transforming Retail and Building Ecosystems for Unforgettable Experiences

We are actively redefining the retail landscape nationwide to create memorable experiences for consumers and partners. From premium to small and medium outlets, we support our retailer partners in upgrading their spaces with better visibility and ambience for superior customer satisfaction. We partner with leading restaurants and bars and engage with visiting customers to craft unforgettable consumer experiences while creating a platform to explore unique flavours and premium offerings.

We are further building ecosystems for excellence with programmes to foster talent, support communities, and champion industry growth. Through programmes like World Class and Diageo Bar Academy, we nurture bartender advocacy and equip professionals with world-class skills and knowledge. We also participate in and support community events such as the Gin Explorers Club and India Cocktail Week, which celebrate the spirit of innovation in the beverage industry.

How we are Strengthening our Brand through Strategic Investment in Consumer Marketing



INTELLECTUAL CAPITAL - R&D



Excellence in Innovation and thought Leadership

Our competitive advantage is fundamentally built upon a solid foundation of robust Research and Development (R&D) capabilities. This strategic focus allows us to stay at the forefront of innovation within our industry, enabling us to develop groundbreaking products and solutions that distinguish us from competitors. Our R&D expertise empowers us to create a rich and diverse portfolio that balances creative ingenuity with operational agility, ensuring we can adapt quickly to changing market demands and consumer preferences.

Beyond product innovation, our commitment to excellence drives us to take a proactive role in shaping the future of the industry. We strive to lead thought initiatives, contribute scientific breakthroughs, and elevate Indian craft spirits on the global stage. By doing so, we not only strengthen our market position but also help preserve and enhance indigenous artistry and craftsmanship, promoting cultural heritage on an international level.

This dual approach – focused on innovation and industry thought leadership – serves a dual purpose. It accelerates our business growth by opening new markets and creating value for stakeholders, while also fostering positive impacts within the broader community. Our dedication to pushing the boundaries of scientific research and embracing cultural heritage underscores our vision of responsible and sustainable growth.

Moreover, the integration of our R&D process and thought leadership forms the cornerstone of our Intellectual Capital. This intellectual property, knowledge base, and innovative capacity are not only strategic assets but also critical drivers of our long-term growth and resilience. As we continue to invest in R&D and industry leadership, we build a sustainable competitive advantage that positions us for continued success in an increasingly dynamic and competitive global marketplace.

Nurturing R&D at Diageo India

Our innovation excellence is driven by two modern R&D centres, based out of Whitefield (~19,500 sq. ft) and Kumbalgotu (9,000 sq. ft) Bengaluru. Both the facilities are Karnataka State Excise licensed and Department of Scientific and Industrial Research (DSIR) certified.

Featuring modern instrumentation and diverse advanced capabilities, these centres support a full spectrum of R&D, from grain to glass, including rapid prototyping, testing, and seamless scale-up from concept to market. They consist of a pilot distillation plant and specialised laboratories for analytical testing, sensory evaluation, new product development, 2D/3D rapid prototyping, packaging material functional testing facilities, and raw material analysis. Additionally, our expert sensory panels and consumer panels support flavour profiling and prediction of consumer trends. The Kumbalgotu facility also houses a 60-person mini auditorium to host technical discussion forums.

UN SDGs Linked



Material Issues
M6 **M11**

Strategic Priorities
S1 **S2**

Key Highlights FY 2024-25

10
Products innovated/
renovated

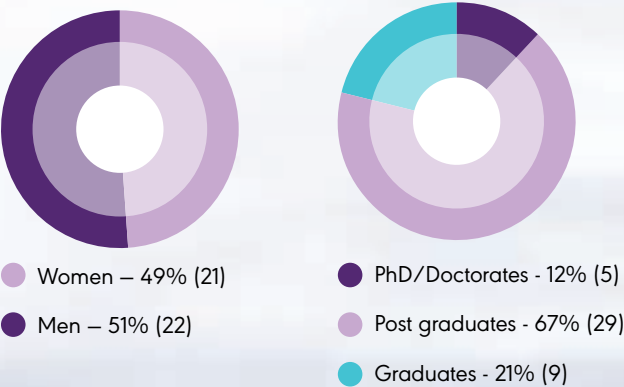
Strategically blending traditional expertise with scientific advancements, our R&D expertise ensures agility in market response. At the same time, it helps us uphold the highest standards of quality and innovation, positioning us at the forefront of pioneering beverage research.

R&D Team Competencies

34
Highly skilled professionals

10+ years
Team’s average experience in the alcoholic beverage industry

4
Individuals are Institute of Brewing and Distilling (IBD) & Indian Institute of Packaging (IIP) certified, underscoring expertise in fermentation, distillation, maturation and packaging sciences



Innovating for Evolving Needs and Sustainable Growth

Consumer landscape: In the midst of evolution

- Younger LDA consumers**
Preference for lighter, smooth, flavourful liquids

White Spirits:
Fastest growing segment in Prestige & Above

16%
3-Year CAGR

Luxury and new aspirations
Growing access to high-end products driving aspirations
- Premiumisation across tiers**
Consumers are upgrading across all categories

Repertoires have expanded
1.5x growth in the number of TBA brands

Sustainability consciousness
Consumers prioritising eco-friendly products and brands



Diageo India: Innovating to meet evolving needs

- Multiple premiumisation levers**
Driving premiumisation within segments, brands, and categories

Growth in NSV from Prestige & Above segment

15%
3-Year CAGR
- Sustainability at the core**
Consumers are upgrading across all categories

 - Efficient resource use and conservation practices
 - Technology innovations: Water from air, air cool condensers for distillation units, process optimisation to minimise water usage, and water reuse in production processes

Pioneered
100% rPET bottle (for McDowell’s No. 1 Celebration Rum)

rPET for all plastic packaging material
40% by 2025
100% by 2030



Promoting thought Leadership

The R&D efforts at Diageo India go beyond product quality and sustainability. Our R&D investments are geared to make impactful contributions to the scientific community and proactively drive industry advancements. We hold multiple patents and research publications, the insights of which are actively shared in global forums like the Institute of Brewing and Distilling (IBD) and in leading FMCG journals. This helps promote collaboration across the global spirits industry. Our team members also serve as jury panels for several prestigious awards and technical discussion panels.

How we drive thought leadership

Innovation focus:

Pioneering new product development and advanced processes like fermentation techniques, flavour development, maturation science, sustainable distillation solutions, and prototyping and rapid validation techniques

Notable contribution:

Advanced Maturation Science - a breakthrough solution to sustainably produce multiple liquid styles and flavour profiles

Investing in Packaging Innovation

Our packaging-related interventions are led by our ‘Spirit of Progress’ ESG goal of becoming sustainable by design. Our continued efforts to light-weight packaging and increase recycled content and recyclability across all formats are backed by ground-breaking ideas and initiatives. These efforts are not just helping in minimising environmental impact but also in reducing packaging costs.

Read more on our packaging material-related efforts in the Natural Capital section on page 142.



Products renovated/innovated



The Good Craft Co.

A Sensorial Experience Home with a Vision to Globalise Indian Craft Spirits

Established in 2022 at our Ponda distillery in Goa, The Good Craft Co. is our homage to the rich legacy of Indian Craft Spirits and the vibrant community built around it. We dedicate our efforts to bringing together Indian craft stories, ideas, and the craft community, to nurture bold innovations, spread the legacy of Indian Craft Spirits on the global stage, and captivate enthusiasts. The Good Craft Co. is our first global initiative to build a direct-to-consumer experiential ecosystem that anchors its efforts on education, advocacy, empowerment and appreciation of the community of craft spirits and its makers.

Blending traditional heritage and best-in-class practices with innovation, The Good Craft Co. is redefining what it means to craft exceptional spirits in India. We introduce consumers to the foundational blocks of craft spirits – sourcing, ingredients, provenance, indigenous craft distillation, maturation, finishing processes and makers, unified by the ethos of sustainability.

We further support the development of an effective community, collaborating with industry leaders, enthusiasts and startups to create a thriving ecosystem. Our experience centres act as hubs of innovation, providing them with a platform to amplify their voices, and a resource pool to build the Indian craft narrative and deliver a made-in-India-for-the-world experience.



DOING GOOD

Craft is a responsibility that goes beyond sustainability



UNIQUE SERIES

Craft is small batch and special editions



TRANSPARENCY

Craft is being open and inclusive



RAW MATERIALS

Craft is being mindful of the ingredients and materials used



COMMUNITY

Craft is connecting with people



PROCESSES

Craft is making it your own way, with skill and creativity

Ethos and philosophy

A platform built on six pillars of doing good to nurture exceptional Indian craft spirits and a thriving ecosystem of start-ups across the Indian spirits industry.

Crafting Spirits and Celebrating Stories

The world of Indian crafts, and the craftsmen who are building #CraftforGood through exceptional propositions, remains a little-known fact. The Good Craft Co. is championing this narrative, highlighting the essence of Indian craftsmanship through unique stories of sourcing, ingredients, provenance, indigenous craft distillation, maturation, and artisanal finishing.

The Journey to Enriching Indian Craftsmanship



Launched India Rare Spirits

Diageo India launches India Rare Spirits, a bespoke luxury customised cask programme that elevates whisky ownership into a celebration of artistry and heritage. This invite-only initiative brings to life a vision rooted in India’s rich cultural fabric, offering discerning connoisseurs the opportunity to own not just a bottle but a piece of liquid history imbued with legacy and craftsmanship.



Launched Godawan

- An artisanal single malt from Rajasthan, solidifying India’s presence on the global craft map with its quality and consistency.
- Winner of 85+ awards, including the ‘Best Single Malt in the World’ at the London Spirits Competition and the ‘Whisky Masters at the Spirits Business UK’ for Godawan 100.

CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIAL STATEMENTS



Investment in alcobev start-up ecosystem

With Ventures, Diageo India’s investment arm, we are nurturing the next generation of Indian craft spirits, empowering them with access to our lab facilities for R&D and innovation. Our support extends to four promising brands:

- **NAO Spirits** – Creators of Greater Than and Hāpusa Indian Gin
- **Inspired Hospitality** – Creators of Pistola, an Indian-born agave spirit
- **V9 Beverages** – A zero-alcohol spirit distiller
- **Indie Brew and Spirits** – Creators of cold-brew coffee liqueur



Immersive Experiences to Discover the Spirit of India

To introduce consumers worldwide to the diversity and richness of Indian spirits, we are pioneering an immersive sensorial tangible experience home rooted in craft stories. These experiential centres are designed to engage consumers in the production process for a deeper appreciation and understanding of the Indian craft spirits.

Our sensorial homes

The Good Craft Co. Flavour Lab, Bengaluru

This experimental lab delves into the art and science of crafting spirits. With four unique engagement zones, it offers consumers guided tasting sessions and an up-close look at R&D and innovation, making it a bootcamp for aspiring alcobev start-ups.

The Good Craft Co. Experience Home & Flavour Market, Ponda Distillery, Goa

This centre, planned for launch in coming year, is being created around the ethos of discovery, promising consumers a deep dive into the spirit-making journey. From distillery tours to microbrewery experiences and artisanal processes, collaborations with Indian and Global spirit makers, and hyperlocal F&B experiences, visitors will get to explore and appreciate the world of Indian craft spirits.

95

INTELLECTUAL CAPITAL- DIGITAL



Investing in Digital-driven Future Readiness

In the contemporary world of data-driven business growth, fostering future readiness is not an option but an essential strategic component for organisations across the globe. Diageo India’s future strategy is aligned to this reality, and is propelled by continuous investments in organisation-wide digital transformation. Our investments in digitalisation are designed to reimagine our go-to-market strategy. They are structured to guide our methodologies for engaging with consumers, creating value, and driving sustainable growth in the long term. By scaling capabilities in data and analytics, as well as process automation, we are progressing dynamically towards becoming an agile, responsive, and future-ready entity. Our efforts are directed towards cultivating an adaptive and intelligent ecosystem, crafted to foster digital-driven future preparedness.

Building a Robust Data-driven Ecosystem

We have adopted a comprehensive and holistic approach to the creation of a data-driven ecosystem, with data foundation at the core of our digital excellence journey. Our focus is on integrating advanced analytics, cloud computing, and real-time data processing into our operations. Our efforts are oriented towards building a smarter, more agile organisation capable of predicting trends and making informed decisions. They are supported by our stringent data governance frameworks and cybersecurity measures that are crafted to ensure integrity, security, and strategic use of data.

Such a data-driven ecosystem is built to enhance efficiency and optimise the supply chains, alongside supporting innovation and improving overall customer and consumer experiences. It further empowers the organisation to capitalise on emerging opportunities, positioning us ideally to scale sustainable growth by building a powerful framework of future readiness.

Key Impact Achieved (As of March 31, 2025)

250+

Employees upskilled in data analytics and AI

UN SDGs Linked



Material Issues

M8

Strategic Priorities

S2



Reimagining Consumer Connections through Innovation

Sustained consumer loyalty and stickiness in the modern era of hyper-personalisation extends beyond products and traditional interactions to encompass personalised engagements and enhanced experiences. At Diageo India, we leverage advanced analytics and artificial intelligence (AI) to develop dynamic, data-driven engagement models. Capable of adapting to individual consumer preferences and expectations, these models enable personalised engagements and digital marketing excellence across multiple touchpoints. This approach helps us in maximising the impact and reach of our engagements, strengthening the Diageo India brand loyalty and relevance.

Some of the Key Initiatives Undertaken Towards this Include:

Leveraging Consumer Data for Enhanced Engagement

In alignment with our unwavering commitment to enhancing consumer connections, we are continuously building on our Customer Relationship Management (CRM) and Customer Data Platform (CDP) data sets. This enables us to derive more actionable insights for driving targeted campaigns, optimising media spend, and co-creating impactful strategies, while upholding the highest standards of data security and regulatory compliance.

By harnessing these advanced data capabilities, we strive continually to foster stronger relationships with our consumers, and drive sustained growth through informed decision-making and innovative engagement strategies.

Data-Driven Marketing Using Market Mix Modelling Platform

The sophisticated Marketing Mix Modelling (MMM) tool analyses sales and spending data to offer insights for refining campaign effectiveness at the geographical level.

Engaging Audiences, Digitally and Beyond

We continue to strengthen consumer engagement through a strong digital presence, leveraging platforms across Meta and YouTube to drive meaningful interactions and expand brand visibility.

Additionally, our digital activations have been instrumental in enriching the experience at partnered events, seamlessly integrating virtual and physical touchpoints. Events such as Lollapalooza and Ziro Festival of Music stand out as successful examples where our digital efforts drove strong traction and elevated audience connection.

 Refer brand capital section on page 82 for more details

Our innovative connections has translated into consumer love

The Bar*

2 Million+

Visits on The Bar India platform

7%

Bounce rate

37k+

Instagram followers

*March 31, 2025

~400K cumulative followers across our top brands Instagram handles



Diageo India Supply Chain Digitalisation Journey

We are dedicated to transforming our supply chain into smarter and more reliable networks. Our approach involves leveraging digital transformation, innovative technologies, and sustainable practices to enhance efficiency, resilience, and responsiveness. We have integrated advanced technologies, including data analytics and process automation, to transform the function and optimise supply chain operations, enhancing traceability, efficiency, and resilience.

 Our supply chain initiatives can be read on page 46 in this report under manufactured capital.

Operational Excellence through Automation

Automation, in recent years, is key to amplifying human expertise and creating a more resilient, agile operational model. We are automating processes across the entire lifecycle, aiming to build a factory for the future. Automation is streamlining workflows, reducing manual intervention, and enhancing accuracy, ensuring cost and time efficiency at every stage. Manufacturing automation further optimises production cycles, quality control, and waste management. These efforts besides driving operational agility is ensuring adaptability to market demands.

Diageo India’s Digital Supply Chain (DSC) Strategy emphasises digitisation, integration, and operational excellence across the value chain by leveraging cutting-edge technologies and innovative practices. Some of the initiatives are listed below:

- 01 Critical Control Points (CCP) monitoring and management through SCADA (Supervisory Control and Data Acquisition) systems allow real-time data capture and automated control across production processes.
- 02 Leveraging QR technology allows for real-time tracking of casks, ensuring better inventory control, traceability, and process efficiency.
- 03 Automated blending systems use advanced algorithms and RFID/QR tagging to identify and utilise the right casks for blending.
- 04 AI-driven production planning systems analyse market demand and available production capacity to create dynamic and efficient schedules.
- 05 AI-powered vision systems enable automated inspection of bottles, labels, and packaging.
- 06 Real-time monitoring systems are integrated with key production equipment to track and improve overall equipment effectiveness.
- 07 QR code tagging of finished goods allows seamless tracking of batch information across the supply chain.
- 08 Vision Management Systems (VMS) automate the putaway process in warehouses by identifying and allocating the optimal storage locations.
- 09 Order management systems generate picklists based on the First-In-First-Out (FIFO) principle.
- 10 Internet of Things (IoT) solutions are deployed for line monitoring and inspection, providing actionable insights into production processes.

Performance Transformation

80%+

Improvement in production efficiency

>99%

Enhanced quality control accuracy

13%

Reduction in manual intervention

Building A Future-Ready Workforce

The transforming external ecosystem is driving new learning needs for our core employees, our business, and the wider industry. In response, we offer learning opportunities focused on developing future-ready capabilities. We take proactive steps to equip our people with the knowledge and agility to adapt to industry change and emerging technologies, ensuring we stay ahead of evolving skill requirements. As part of our comprehensive future readiness strategy, we also strive to make learning accessible to all.

In FY 2023-24, we introduced the ‘Dial Up Behaviours’ initiative to drive the essential shifts needed for greater speed and agility. In FY 2024-25, we made significant progress in embedding these key behaviours into our ways of working.

Through initiatives such as leadership stories and cascades, people manager workshops, monthly employee sessions, and e-learning courses, we have ensured that employees are fully immersed in our dial-up behaviours. These efforts continue to reinforce our commitment to fostering a culture of speed and agility, a key imperative in today’s dynamic business environment.

Created workforce of the future in FY 2024-25

284

Employees trained in advanced digital skills across 458 training hours

Catalysing Sustainability with Connected Packaging

Amid the growing global consciousness about the importance of sustainable growth, we have deployed innovative connected packaging technology to drive meaningful change in society. The initiative includes integrating QR codes to transform our packaging into an interactive platform for consumer engagement. Through this, consumers can gain insight into product authenticity and its environmental journey, sourcing details, and recycling instructions. The initiative aims to empower consumers to make informed and environmentally responsible choices.

This initiative involves the digital integration of scannable back labels with batch-related data uploaded to a third-party server, making all relevant information available to consumers at the

point of sale or purchase. It enables them to authenticate their bottle of choice and learn about the source history of every component of the finished product. This is currently activated for five of our brands. The batch-specific data is uploaded on a server which eventually helps us run a batch-specific identification of any bottle through OCR-based reading of the back labels, which can be done with the help of a mobile phone using a specific pre-installed TRAG app. This process helps our consumers or internal investigators or Quality executives to obtain feedback on authentication of the bottle, and also get a view of the brand and product provenance. This technology has been adopted because state excise departments do not allow application of an additional QR code on the primary packaging, Hence, OCR-based reading of the back label turns out to be a frugal and technologically reliable alternative for connected packaging for the Indian Spirits Industry at large, and for Diageo India specifically. While QR codes on primary packaging is not allowed in most of the states, an exception has been made in West Bengal as a joint action between State Excise department and the Brand owner where we have been allowed to incorporate a consumer interfacing masked dynamic QR code that enables the consumer to interact with the QR code and obtain an authentication message back on mobile phone. We have been first to implement this as an additional label on the bottle which is now getting integrated directly onto the label through online printing of variable QR codes.

Way forward

As digital technologies continue to disrupt our industry, we remain committed to progressing with speed and agility on our digital transformation journey, to create an organisation that is adaptive, intelligent, and human-centric. Our key priorities in the coming year are:

Innovation in Product Development

- Leverage advanced tools and digital platforms to innovate and excel in product development (superior quality, consistency and speed).
- Artificial Intelligence (AI), machine learning (ML) and digital twins to simulate and test products virtually – enabling early identification of improvements, accelerating time-to-market, and ensuring precision and reliability of offerings.
- Data-driven product development to cater to evolving consumer preferences.

We are unleashing the power of Intelligent Automation including Robotic Process Automation (RPA) and working towards a future with Agentic AI. From automating routine tasks to enabling intelligent, goal-driven systems that drive strategic outcomes, Agentic AI introduces autonomy, adaptability, and scalable decision intelligence across the enterprise.

This marks a pivotal shift in our digital transformation journey – towards a truly intelligent and future-ready organisation.

Accelerating Analytics Maturity

- Investments in AI/ML to unlock deeper insights and enhance decision-making.
- Expand predictive and prescriptive analytics capabilities to better anticipate market trends, optimise operations, and foster innovation.

Deepening and Personalising Consumer Engagements

- Enhance data analytics and AI capabilities to deepen consumer preference and understanding for more relevant offerings, and tailored recommendations and communications.
- Strengthen digital marketing strategies and real-time feedback systems to swiftly respond to evolving consumer needs.
- Leverage interactive platforms and social media for direct, meaningful connections with consumers.

An AI-powered Commercial Tech Ecosystem Built for the Future of Sales

Our new-age Salesforce application delivers intelligent prompt nudges, digitises trade spends, and leverages advanced image recognition to drive in-market excellence.

Designed to scale across channels, it empowers both **On-Trade** and **Off-Trade** teams with data-driven agility, precision, and performance.

HUMAN CAPITAL



Building an Organisation of the Future

At Diageo India, growth and development of our Human Capital is a key strategic priority.

We are creating an organisation of the future to enable sustainable growth for our business. Our people priorities are guided by our growth ambition; and our focus is to create a thriving organisation, with advantaged capabilities, inclusive, diverse, and engaged talent that allows all our people to be their very best.

- Driving industry leadership in Inclusion and Diversity, with a strategic focus on increasing women representation and overall workforce diversity.
- Building a distinctive culture, anchored on purpose, speed, agility, and a valued employee experience.

We are focused on achieving future readiness through:

- Building an efficient, fit for purpose structure with prioritised investments in organisational capabilities that have a disproportionate advantage on business performance.
- Focusing on talent sustainability to strengthen our internal sufficiency across levels.

Our people-centric initiatives are designed to nurture our Human Capital, and shape Diageo India as an organisation of the future.

UN SDGs Linked



Material Issues

M2 M8 M10

Strategic Priorities

S2



2,400+

Total permanent workforce (executive workforce + permanent workmen)

86%

Executive workforce retention

21,300+

Manhours of training delivered to the executive workforce

Zero

Fatalities

28%

Women representation in executive workforce

52%

Positions filled through internal mobility

89%

'Your Voice' score, indicating high employee engagement level



Awards and Recognitions



LinkedIn's Top Companies 2024 in India under the Retail and Consumer Goods category



Recognised as a Gold Employer for LGBT+ Inclusion (2024) by India Workplace Equality Index



#16 out of Top 20 in Equileap's Gender Equality Report & Ranking 2024 for Emerging Markets



Purpose-driven Culture:
Celebrating Life and Driving Excellence

We take pride in our distinctive culture, deeply anchored in purpose, and rooted in the personal connections we share with our brands, our relationships with one other, and our relentless passion to win in the marketplace.

Our Winning Culture

	Purpose The why	Celebrating life, every day, everywhere			
	Ambition The what	To create the best-performing, most trusted and respected consumer products company in India			
	Values The what	Passionate about consumers and customers	Value each other	Be better	Proud of what we do
	Leadership Standards The how	Win through execution	Inspire through purpose	Shape the future	Invest in talent
	Dial-up Behaviours The how right now	Be externally curious	Collaborate efficiently	Experiment and learn	Act decisively

In FY 2023-24, Diageo Plc introduced ‘Dial Up Behaviors’ to foster the essential shifts required for achieving speed and agility. During FY 2024-25, Diageo India took significant strides in embedding these key behaviours into our ways of working. We launched a variety of initiatives and programmes across Diageo India, for all employees to be fully immersed in our dial-up behaviours and be a part of this cultural transformation. Some of these initiatives included leadership workshops, people managers cascades, monthly focus on sub-behaviours to allow employees to dive deep into its application, releasing leadership stories about how our leaders lived the dial-up behaviours, appointing culture change champions, learning bites, and offering e-learning courses. Finally, we leveraged recognition platforms, resources, and tools to reinforce and incentivise the cultural shift of speed and agility. These efforts combined have reinforced our commitment to fostering a culture of speed and agility, that help us win differently.

#CelebratingYou:
Our Employee Value Proposition (EVP)

We take pride in the sustained contribution of our people to the organisation’s growth and development, which positions us at the forefront of the industry. Our unique EVP reflects our commitment to fostering an environment where our people thrive, shaping a brighter and exciting future together.

Our EVP Commitment:
Honouring The Legacy of
Iconic Brands and Founders

- Fostering an inclusive culture
- Providing career growth trajectories
- Encouraging purpose-driven performance
- Celebrating individuality
- Promoting innovation within a sustainability framework

Core Pillars of EVP

This is the best
place to grow

- Accelerating career with internal mobility across functions, brands, and markets
- Building iconic brands through innovation, excellence, and progressive portrayal

You can shape the
future with us

- Championing Inclusion & Diversity across the business
- Creating an inclusive and sustainable world: ‘Spirit of Progress’ Goals

We will support
and reward you

- Supporting and recognising the passion and dedication of our people, with progressive policies and a purpose-driven culture

Impact of EVP in FY 2024-25

Career page statistics

22K+
User visits
↑ 129% vs FY 2023-24

LinkedIn statistics

26K+
Sessions conducted
↑ 129% vs FY 2023-24

400K+
Followers
↑ 28% vs FY 2023-24

~1.8 Mn
Unique views



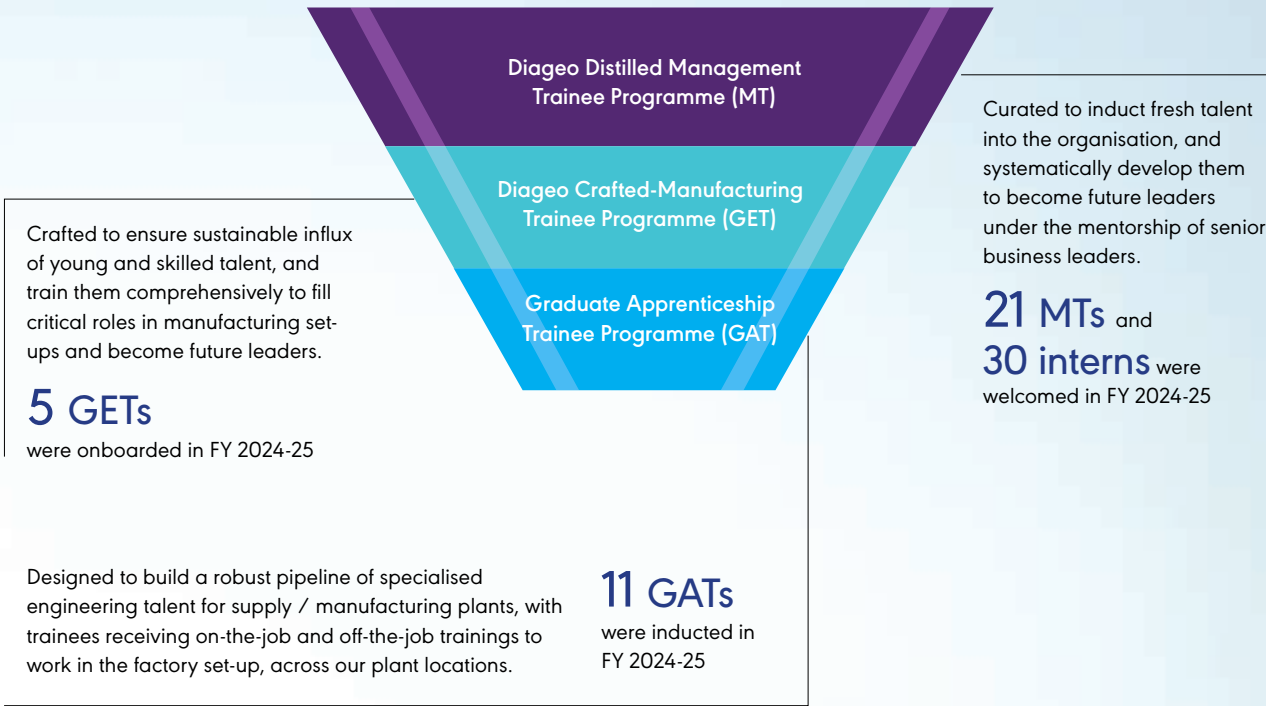
Brand Advocacy Programme:
Amplifying our EVP

Our EVP Brand Advocacy Programme is crafted to empower employees to serve as brand ambassadors, embodying the organisational vision, values, and culture. These Brand Advocates highlight the core elements of our EVP by sharing their personal experiences and insights about working at Diageo India, across diverse platforms such as LinkedIn, campuses, induction sessions, events, and campaigns. The programme also helps them build their personal brand on LinkedIn, develop thought leadership, advocate a sense of purpose, and gain visibility and recognition.

Talent Acquisition and Management Framework

Our talent acquisition and management framework is designed to continuously nurture excellence in our Human Capital. We attract, recruit and retain the best talent by providing equal opportunities to everyone. We onboard and develop fresh talent annually through the Diageo Distilled, Diageo Crafted, and Graduate Apprenticeship programmes, while also investing significantly in internal talent mobility opportunities.

Multi-Layered Approach to Creating Talent Pipeline



Internal Sufficiency

We are committed to developing and promoting internal talent, aiming to achieve 70% internal sufficiency by FY 2026-27.

Our Talent Review process deep dives into the employees' potential and career growth, while also providing insights into the health of our talent pipeline, priorities, opportunities, and gaps. These insights guide our targeted succession and talent planning for the future.

In FY 2024-25

52% of open positions filled through Internal Mobility	47% of internal movements were promotions	52% : 48% Internal : Hiring Mobility
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Fostering Workforce Engagement

At Diageo India, we strive to create a positive experience and promote an inclusive culture. We aim to continuously communicate with the employees, and gather feedback on our practices, ways of working and their overall experience in the organisation. We conduct an annual ‘Your Voice’ employee survey to assess employee satisfaction levels and work towards enhancing their overall experience.



‘Your Voice’ Survey Highlights for FY 2024-25

89%

‘Your Voice’ score
1% ↑ than FY 2023-24

88%

Inclusion and Diversity Index
2% ↑ than FY 2023-24

+53

Employee Net Promoter Score
11% ↑ than FY 2023-24



Continuous Listening Strategy

In addition to our annual survey, we have implemented multiple touchpoints to continuously listen, and seek feedback, throughout an employee’s journey with us. This enables us to take informed actions to boost the overall employee experience, leading to

higher retention and Net Promoter Score (NPS). We also leverage ‘Amber’, our continuous listening tool, to engage with employees. Additionally, our senior leaders engage with a cross section of employees on a periodic basis through ‘Hangout Cafes’.

Embracing Inclusion and Diversity

Our broader Inclusion and Diversity (I&D) approach hinges around the vision ‘Embrace the multitudes of us’, encompassing our people, brands, suppliers, partners, and communities. As an equal opportunity employer, we are committed to nurturing an inclusive and diverse work culture. Our Equal Opportunity policy outlines our commitment to embracing diversity in the broadest possible sense, encompassing gender, ethnicity, age, sexual orientation, and disability.

Representation and Talent Pipeline

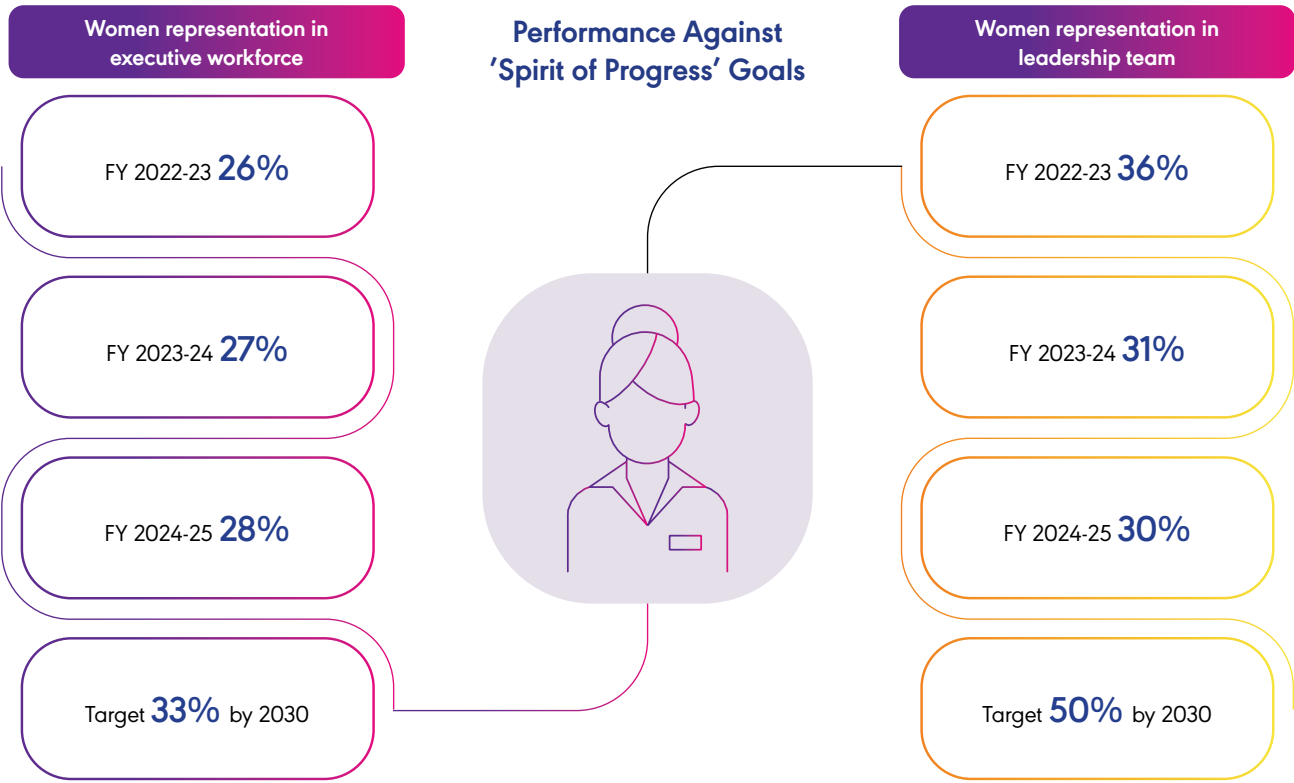
- Increase female representation in the overall workforce and in L3+ levels.
- Strengthen LGBTQIA+ and PwDs community by increasing their workforce representation.

Inclusive Leadership and Capability

- Build an inclusive organisation with a supportive work environment.
- Build allies through progressive workplace initiatives and programmes.

I&D Priorities for FY 2024-25 and Beyond

We have established clear I&D priorities for FY 2024-25 and beyond, with the aim to build an inclusive organisation with a diverse workforce.



I&D Snapshot in FY 2024-25

28%

Women representation
in executive workforce

50%

Women representation
in executive committee

43

Persons with Disabilities
(PwDs) work in our
manufacturing units

88%

Inclusion & Diversity
Score from ‘Your Voice’
– Internal Engagement
Survey

Inclusive Policies, Guidelines and Support Programmes

Policies	Guidelines	Support Initiatives
- Gender-neutral family leave - Wellness Policy, including fertility treatment and gender affirmation surgery - Creche Policy - Same-sex Partner Insurance Coverage	- Pregnancy loss - Thriving through menopause - Domestic abuse - Disability inclusion - Gender expression and identity - Flex philosophy	Spirited Women’s Network (SWN): An Employee Resource Group (ERG) and networking platform to engage, inspire and empower women employees Rainbow Network: An Employee Resource Group (ERG) to support and develop LGBTQIA+ employees and allies, leveraging a 4C framework – Get Conscious, Get Comfortable, Get Connected, and Get Candid Pride Month: A month-long initiative, organised in June, to create awareness and build allies Inclusion week: A global event to celebrate inclusivity and diversity through employee participation Project Saksham: Supports and develops Persons with Disabilities in our manufacturing units Inclusive Culture Hub and Psychological Safety Toolkit: Nurtures our culture and supports our people with best-in-class tools and resources Parental Engagement Programme: Newly launched programme to support new and expecting parents before, during and after parental leave

Employee Engagement Through I&D Initiatives

10

HiPo L4 women employees empowered through SWN Empower pilot 2024

300+

Participants in Pride Month initiatives

250+

Participants in INC week initiatives

2

L4A women leaders completed ISB Women leadership programme

4

L4A leaders participated in XLRI UpSurge programme



Investing in Learning and Development

Our Learning and Development (L&D) strategy is shaped by the identified learning needs of the employees, as required for their development and business growth, as well as the overall organisational development. It aims to equip our workforce with essential skills to respond to the current and emerging challenges effectively. We extend unique learning opportunities through a balanced mix of self-directed modules and instructor-led courses, curated by top training vendors and business schools, and also through insights from internal and external industry leaders.

15

Average hours of training imparted to executive workforce in FY 2024-25

7

Average hours of training imparted to permanent workmen in FY 2024-25



Pillars of our Learning and Development Strategy

Leadership and Management Excellence

Build essential leadership and team management skills among people leaders and managers.

Professional Competence

Equip employees with skills required to excel in complex situations, for effective collaboration and task completion.

Skills of the Future

Impart knowledge and skills to prepare the employees to adapt to the emerging industry landscape and technologies.

Functional Mastery

Strengthen specialised expertise and skills for growth within a specific domain.

Dial-up Behaviours and Leadership Standards

Promote dial-up behaviours and leadership standards through L&D offerings as a part of the Culture Change initiative.

Additional Resources for Learning

Leader for Learning

Builds an internal network of leaders who serve as learning catalysts, fostering knowledge-sharing and mentorship.

LinkedIn Learning

A self-paced online learning platform, with over 16,000 expert-led courses to support career growth.

Circus Street

Features expert-led, interactive digital training courses, to build essential digital skills in employees.

My Learning Hub

A platform which hosts internally developed learning courses on business, products, functions, global programmes and compliance as well as external content from providers.

Performance Management

P4G (Partner for Growth) Framework for Holistic Performance Management



Prioritising Holistic Well-being

Rewards and Remuneration

We maintain pay parity within the organisation. We collaborate with external consultants to benchmark our remuneration, keeping it competitive and aligned with the industry standards.

Employee Assistance Programme

This free, confidential 24x7 online support for employees and their families addresses their emotional, practical, and physical well-being needs.

Creche Policy

Creche reimbursement guidelines and corporate tie-ups help support the work-life balance of our full-time employees.

Flex Philosophy

Guidelines for flexible work arrangements are in place to optimise employee productivity and performance.

Hardship Allowance

We have formulated clear guidelines to attract and retain talent in our remote locations.

Unmind

This free, confidential platform is designed to support employees’ mental well-being.

Flexible Health Benefits

We provide enhanced optional health benefits, along with core and default ones, including Group Medical and Personal Accident Insurance for employees and their families.

Equal Parenting

Unique parental benefits are provided to all parents, including biological, adoptive, LGBTQIA+, surrogate.

Celebrating People’s Accomplishments and Journeys

The ‘Celebrate’ platform rewards and recognises employees monetarily and non-monetarily, for their exemplary contribution and embodying dial-up values or behaviours. It also celebrates their personal milestones, such as birthdays, new life partners, new family members, educational accomplishments, creating a fulfilling experience, among others.



1,200+

Employees recognised with ‘Keep Walking Awards’ and ‘Johnnie Walker Awards’ in FY 2024-25

Delivering Seamless Employee Experience Through MyHub

MyHub is an employee self-service portal, designed as a one-stop platform for addressing employee queries, concerns, and information requirements. It enables employees to access organisational policies, raise HR and IT tickets, interact with chatbot.

Health and Safety: Envisioning a Zero Harm Culture

Our health and safety policies and standards aim to prioritise workplace safety and the well-being of our employees and workers. We have established a robust governance mechanism to ensure continual improvement in our safety management system.

Workforce trained on Health and Safety

99%

Executive workforce

84%

Permanent workmen

Lost Time Injury Frequency Rate (LTIFR)

0.44*

Executive workforce

0.36*

Permanent workmen

* per million hours worked



Health and Safety Framework

Our Health Safety & Well-being policy encapsulates our responsibility to protect the workplace health, safety, and wellbeing of our people. We follow our Global Risk Management Standards (GRMS) for Health and Safety, comprising 54 standards that apply to all our locations. Our 11 Safety Standards (SFIP), Severe & Fatal Prevention Programme, and 11 critical, non-negotiable Life Saving Rules aim to eliminate severe and fatal incidents from our operations.

Our Safety Management system is in accordance with ISO 45001 requirements. The Nashik Unit is certified to ISO 45001, and other sites are in the process of certification for the Integrated

Management System (IMS) covering EHSQ, ISO 45001, ISO 14001, and ISO 9001. We also influence and encourage third-party manufacturers to enhance their safety management systems and pursue external certifications. Currently, two units are ISO 45001 certified, while three units are in the certification process.

In FY 2024-25, four of our units were awarded EHS and sustainability awards by prestigious organisations and foundations, a testament to our mature EHS management system and leadership in workplace safety and environmental stewardship.

OHSSAI – EHS and Sustainability Gold Star Awards



Kumbalgodu, Karnataka



Alwar, Rajasthan



Nimapara, Odisha



Malkajgiri, Telangana

Focus on Safety Culture and Visible Felt leadership

As part of the organisation's Zero Harm vision, where no one gets hurt at the workplace, on roads, or at home, a focused programme has been deployed to build a safety behaviour culture through Safe Behaviour Observations (SBO). This programme is led by line managers who provide visible felt leadership by conducting periodic safety walkabouts in the work area, observing safe and at-risk behaviours, identifying unsafe conditions, and engaging directly with workers on safety practices. In the long run, the Behaviour-Based Safety (BBS) process helps foster a strong, safe work culture.

Governance, Safety Assessments and Audits

Diageo India has established mature health and safety review systems at all levels, along with a structured audit mechanism. This starts with a predefined schedule of self-assessments by all units against Global Risk Management Standards (GRMS), identifying areas for improvement and drawing up action plans to close gaps, which are tracked and monitored in various review meetings. In addition, Site Heads conduct focused reviews on a monthly basis through Manufacturing Operation Reviews (MOR) and Management Review Meetings (MRM). The organisation continually carries out internal and external audits on various safety themes, including SFIP audits, ISO audits, risk-based audits such as electrical audits, in-plant traffic risk assessments, thermography, and fire risk surveys, among others. These are planned based on identified risks and improvement plans at each location.

Hazard Identification, Risk Assessment, Training and Incident Investigation

Our health and safety standard incorporates hazard identification, risk assessment, and incident investigation as core processes. We continually monitor health and safety parameters using both leading and lagging safety indicators. We have an established practice of documented reporting of work-related hazards through the Safety Information Report Card (SIRC), which is used by all employees. All employees are encouraged to report and eliminate work-related hazards that could cause injury or ill health.

We also provide regular training to help employees identify and report unsafe conditions and near misses, investigate work-related incidents, and assess residual risks following corrective actions. A formal Hazard Identification and Risk Assessment (HIRA) process is conducted for all activities, with any gaps identified through these assessments promptly addressed. All incidents are investigated, and lessons learned are shared across the organisation as part of our learning culture and horizontal deployment.

Safety Communication, Engagement and Continual Improvement

We have a robust process for communication, engagement, and continual improvement in safety across the organisation. In manufacturing units, as part of daily work management, T1 reviews take place on the shop floor every day, where all shop floor team members conduct a focused review under SQDCMS (Safety, Quality, Delivery, Cost, Morale, and Sustainability). Safety is the first discussion point, and any safety concern is brought to everyone's attention and addressed immediately. As part of Department Head reviews (T2 reviews), safety is also discussed, and finally, during Unit Management Reviews (T3 reviews), the overall status of safety is monitored. Additionally, each unit has a Central Safety Committee with equal representation from workers and management, chaired by the Unit Head. Along with reviewing various safety and health KPIs, this committee serves as an escalation forum for any pending or unattended workplace hazard concerns. All actions are minuted and tracked through to closure.

A monthly safety campaign is conducted on one of the SFIP standards, engaging all employees through various interventions, including awareness sessions on these safety standards.

- We continually improve safety in the workplace by reducing risk and eliminating hazards through various mechanisms such as Kaizen, One Page Learning, Safety Action Meetings (SAM), Focused Improvement (FI) projects using the DMAIC (Define, Measure, Analyse, Improve, Control) framework, and Yellow and Green Belt projects. We also monitor and close out Safety Improvement Report Cards (SIRC), where unsafe conditions and near misses are identified and reported by shop floor team members.
- Each Diageo India site conducts regular town halls where monthly safety performance is communicated to employees. In addition, each site runs various training programmes, some targeted to specific employee groups and others open to all employees.

Some of the Health and Safety Initiatives Launched in FY 2024-25



SBO 2.0 Programme

Executives are trained and certified in the SBO (Safety Behaviour Observation) process, enabling them to conduct routine safety rounds, review workers safety practices, address concerns, and provide feedback, fostering a strong safety culture on the shop floor.



Digitisation in Health and Safety

Multiple digitisation projects are being undertaken to optimise and simplify safety processes:

- Digital permit-to-work system and digital lockout and tagout.
- Online monitoring of safe driving behaviour for employees, including sales team members and supply executives, through the implementation of a digital platform.
- Application for proactive driving safety feedback to supply team.
- Deployment of a digitalised Management of Change (MOC) programme as part of the ORCA Project.



Deployment of Process Safety Management

Deployment of Process Safety Management (PSM) across our operations, which involved establishing baselines, initiating capability building, and forming a core PSM working team. This deployment will continue in the coming financial year to further mature PSM implementation.



I-Drive

A safety initiative promoting defensive driving behaviour among employees, workmen, and associates through a series of interventions, including systems implementation, communications, training, and year-round engagement programmes. This includes dedicating the entire month of January each year as Road & Driving Safety Month.



Strive for Zero Campaign

Our Zero Harm vision is that everyone goes home safe, every day, everywhere. This campaign was launched to target five areas: slips, trips and falls; manual handling; chemical safety; driving safety; and situational awareness, to engage everyone on these topics, raise awareness and create a safer workplace.

SOCIAL AND RELATIONSHIP CAPITAL – COMMUNITIES



Creating Empowered Communities and Conscious Societies

At Diageo India, our relationship with the communities around which we operate is a strong driver of our sustained success and business growth. Social responsibility is at the core of our business strategy enabling us to create shared value. Our efforts are guided by the Corporate Social Responsibility (CSR) policy, enabling us to foster inclusive growth and contribute proactively to the overall well-being of the society.

[Read more about our CSR policy here](#)

Material Issues

- M1
- M2
- M3
- M5
- M7
- M9
- M10

Strategic Priorities

- S3
- Promote positive drinking
- Champion inclusion and diversity
- Preserve water for life

Key Highlights FY 2024-25

₹25.5 Cr

CSR Spend

700K+

People educated through our responsible drinking programmes

>50%

Beneficiaries in our community development programmes are women

8

States covered

CSR Vision

The Company aspires to make a lasting difference in the lives of communities, with a view to be able to build their agency and to lead a life of dignity.

CSR Governance Framework

The CSR & ESG Committee of the Board recommends to the Board an annual action plan, which includes the list of CSR activities approved to be undertaken, the manner of execution, modalities for fund utilisation and implementation schedules, monitoring and reporting mechanisms, and details of need and impact assessments.

In addition to approving and adopting the annual CSR action plan for the financial year, the Board monitors and reviews the performance and impact of the CSR programmes.

<https://www.diageoindia.com/~media/Files/D/Diageo-V2/Diageo-India/investors/corporate-social-responsibility/csr-projects-approved-by-board-fy-25-26.pdf>

Key CSR Focus Areas

At Diageo India, we strongly acknowledge that our business success is intertwined with the well-being of the planet and its people. Our community development initiatives are focused on the core pillars of our 'Spirit of Progress' framework.



Promote Positive Drinking



Champion Inclusion and Diversity



Pioneer Grain-to-Glass Sustainability



Promote Positive Drinking

SDGs Impacted



In line with our social responsibility charter, we want to change the way people drink, for the better, by engaging, educating and empowering consumers to make informed choices about drinking.

Key Focus Areas

- Curbing underage consumption
- Creating awareness on anti-drink driving
- Promoting responsible consumption



Diageo India is implementing various programmes promoting moderation and continuing to address the harmful use of alcohol by changing attitudes and expanding programmes to address underage drinking, drink driving and binge drinking.

Act Smart India

Curbing Underage Consumption

Act Smart India is dedicated to educating young people on the dangers of underage drinking. Implemented through our NGO partner across government and private schools, the programme reaches out to young people of the age group 13-17 years through a combination of in-person and online sessions on life skills. The programme measures success not merely by its reach but also through evaluation of the attitudinal shift in underage drinking. Blending storytelling with interactive methods, it highlights the causes and consequences of underage drinking.

Programme Impact

0.5 Mn

Total number of youth educated since the programme’s launch in FY 2020-21

0.2 Mn

Number of youth educated in FY 2024-25

Wrong Side of the Road (WSOTR)

Anti Drink-Drive Awareness Campaign

Aligned with the National Road Safety Campaign, the programme is implemented in partnership with UNITAR (United Nations Institute for Training and Research). It is designed to promote behavioural change among citizens with the aim of curbing drink-driving.

The programme is implemented in collaboration with the Regional Transport Offices (RTOs) across India. Interactive Tab Labs have been set up in 79 RTOs across 10 states to educate people who go through process of seeking a driving licence.

Programme Impact

1.2 Mn

People educated on dangers of drink-drive since the programme’s launch in FY 2021-22.

79 across 10 states

Regional Transport Offices collaborated as of March 31, 2025

DRINKiQ

Promoting Moderation and Responsible Consumption

Information sharing is vital for empowering consumers to make responsible choices. DRINKiQ is a dedicated online platform that advocates moderation, and addresses the consequences of harmful drinking for individuals and the society. We conduct various campaigns, both online and offline, to promote responsible drinking and moderation in consumption.

Refer more at DRINKiQ

Champion Inclusion and Diversity

SDGs Impacted



We champion inclusion and diversity at every level, by recruiting diverse talent, sourcing from diverse suppliers, portraying diversity through our brands, and driving inclusive community programmes.

Our CSR programmes empower individuals, especially women, by ensuring equal access to resources, skills and employment opportunities, driving holistic growth.

‘Learning for Life’

A Business and Hospitality Skills Programme

Our ‘Learning for Life’ programme supports individuals facing barriers to education and employment, equipping them to

pursue careers in the hospitality industry. It aims to provide equal access to skills and resources, boosting employability, improving livelihoods, and supporting a thriving hospitality sector. Our initiatives are crafted to create an enabling environment and sustainable livelihood opportunities, especially for women.

Further, in collaboration with the Skill Council for Persons with Disability (SCPwD), we implement a programme to mainstream people with speech, hearing and visual impairment (SHI) into the hospitality sector, by supporting them with relevant skills, resources, and placement support through a three months residential training programme.

Programme Impact

6,536

Total individuals trained through ‘Learning for Life’ programme since the programme’s launch in FY 2020-21

67%

Women beneficiaries during the year

303

Number of Persons with Disabilities (PwDs) trained during the year



Pioneer Grain-to-Glass Sustainability

SDGs Impacted



Given our business’s strong dependence on natural resources and its direct exposure to risks from climate change, water stress, and biodiversity loss, we have prioritised sustainability across our value chain. Sustainable development is a central pillar of our ‘Spirit of Progress’ action plan. With a strong focus on water efficiency and reducing our carbon footprint, we actively engage with communities to address these challenges and adopt sustainable solutions.



Preserve Water for Life

Water, a precious shared resource, is essential to our existence, from its use in farming to the distillation process, and is under increasing pressure, with scarcity in many parts of the world, including India. Our water stewardship strategy is based on the best practices across four areas: operations, supply chain, communities, and advocacy. We undertake community projects to achieve our goal of replenishing more water than we use in our direct operations.

1. Water Replenishment

Through our water conservation efforts, we focus on increasing the availability of water for productive use.

Various water replenishment projects, including desilting community ponds, constructing rainwater harvesting structures and check dams, enhanced the availability of water for the local communities in the catchment.

In FY 2024-25, we initiated projects to replenish 182K Cu.M. of water across various regions, including Nanded (Maharashtra), Nashik (Maharashtra), Hardoi (Uttar Pradesh) and Alwar (Rajasthan).

Collective action on water

Diageo India is taking collective action in its priority water-stressed basins through a multi-stakeholder collaboration to address broader systemic water risks.

The Godavari River basin in Maharashtra is a priority for us, considering its significance for the state. Over the past five years, we have implemented various projects across catchment areas in

Nashik and Nanded, including rainwater harvesting, desilting of ponds, and Water Sanitation and Hygiene (WASH) initiatives, to ensure water sustainability.

We are the founding partner of The Godavari Initiative (TGI), launched in Mumbai in FY 2024-25, to promote sustainable management of the Godavari River Basin, benefiting 23 Million people across 9 districts in Maharashtra. TGI, along with Diageo India’s water replenishment programme, will help address water scarcity at scale and contribute to achieving a net-positive water impact. Recently, TGI successfully hosted its first regional consultation at Nashik, the Godavari River’s origin, attracting eminent regional industry associations and corporates.

2. Water Sanitation and Hygiene (WASH) Initiatives for Healthier Communities

A part of our grain-to-glass initiatives, we focus on improving Water Sanitation and Hygiene (WASH) facilities in the local communities. We have been able to transform individual lives significantly, by

providing sanitation facilities and clean drinking water across Maharashtra, Uttar Pradesh, Meghalaya, Odisha, Rajasthan. This has led to the adoption of safer sanitary practices and promotion of the overall well-being of the communities.

Accelerate to a Low-carbon World

1. Afforestation and Plantation

To drive carbon sequestration, we have directed our efforts towards maintenance of more than 200K trees that were planted in FY 2023-24. Additionally, we have planted 46K trees across two states during FY 2024-25.

2. Regenerative Agriculture

Our regenerative agriculture programme, launched in Punjab and Haryana, seeks to promote the adoption of sustainable, best practices among smallholder farmers. It includes training on direct seeding, crop residue management, efficient irrigation, improved soil health and agroforestry. The programme seeks to transform existing agricultural practices in the region into a more sustainable model.

Case Study

Empowering Women Through Hospitality and Enterprise Development

‘Learning for Life’ is Diageo India’s flagship business and hospitality skills programme, aimed at individuals facing barriers to employment. By providing equal access to vocational training and resources, the programme enhances employability, improves livelihoods, and promotes a more inclusive hospitality sector in alignment with our ‘Spirit of Progress’ goals.

The Challenge

In Maharashtra’s Dindori block in Nashik, women from marginalised tribal communities face deep-rooted economic hardships due to landless farming, rainfed agriculture, and limited employment opportunities. Their meagre incomes often fall short of meeting basic needs, pushing them into debt or forcing migration to cities for informal labour, which heightens emotional and financial strain.

The Intervention

To address these challenges, Diageo India, in partnership with Savitribai Phule Mahila Ekatma Samaj Mandal and S4S Technologies, introduced solar-powered food processing units. The initiative trained women to process unsold or lower-grade produce – such as tomatoes, ginger, garlic, and onions – into value-added products like dried powder and sauces for the food and beverage sector. It also equipped them with technical skills and entrepreneurial training, enabling them to run micro-enterprises with dignity.

Diageo India contributed 10% of the seed capital, while the remaining 90% was facilitated through loans by S4S Technologies. Training in equipment handling and group-based operations enhanced team efficiency and helped create a strong support network.



The Impact

It has helped increase the monthly household income of these women by ₹5,000-₹7,000, which is directly credited to their bank accounts. This financial independence has dramatically improved household stability, access to education and healthcare, and reduced the need for migration.

Beyond economic gains, the initiative restored a sense of pride and emotional security, truly transforming lives through dignified, sustainable livelihoods.

SOCIAL AND RELATIONSHIP CAPITAL – RESPONSIBLE SUPPLY CHAIN



Creating a Sustainable, Future-ready Supply Chain

With responsible supply chains becoming a key stakeholder expectation in today’s global business environment, we have prioritised our supplier partnerships as critical to sustainable growth. By harnessing their strengths and co-innovating, Diageo India is advancing its commitment to producing high-quality products ethically and sustainably. Together, we are working towards our sustainable sourcing goals, supported by robust systems and processes that embed ESG principles across our value chain. These partnerships also help us ensure business continuity and effectively navigate supply chain disruptions and emerging ESG challenges.

UN SDGs Linked



Material Issues

M2 M6 M8 M9

Strategic Priorities

S3



2,300+

Suppliers and business partners
298 added in FY 2024-25

44

Suppliers and value chain
partners audited on responsible
sourcing (Sedex audit scores for
High Risk Suppliers)

90%

Input materials (by value)
sourced from within India

32%

Sourced directly from MSMEs/
small producers

60%

Inputs (by value) used in the
products sourced from suppliers
governed under the Responsible
Sourcing Programme

Supplier Expectations on our ‘Spirit of Progress’ ESG Journey

Promote Positive Drinking

- Promote awareness about responsible drinking within their ecosystem (workforce and supply chains), leveraging our assets and experience.

Champion Inclusion and Diversity

- Diversify workforce to reflect our consumer base.
- Track and record procurement spending on diverse suppliers within their supply chains.
- Collaborate to create new opportunities for diverse global businesses.
- Our ambition is to accelerate inclusion and diversity in our value chain, increasing our spend with diverse-owned and disadvantaged businesses.

Pioneer Grain-to-Glass Sustainability

Preserve Water for life

- Reduce environmental impacts and optimise use of natural resources.
- Support sustainable water stewardship through judicious usage, considering local availability and quality; key suppliers with water risk to improve performance and reduce impact across value chains.

Accelerate to Low-carbon World

- Measure, manage and report:
 - energy use and carbon emissions.
 - product packaging content entering our supply chain (increasing recycled content in packaging to 60%, and sustainably sourcing paper and board packaging to ensure zero net deforestation).

- Participate in our sustainability programmes and contribute innovative solutions to help achieve our goals.
- Achieve zero waste to landfill.

Doing Business the Right Way

Global code of conduct for suppliers, called Partnering with Suppliers (PWS), in place; covers guidelines for ethical and sustainable business practices across our supply chain.

Building a Robust and Sustainable Supply Chain

1 Core Focus Areas

Responsible Sourcing

- Encourage suppliers to provide responsibly sourced materials and services.
- Implement the Partnering with Suppliers Standard outlining minimum ESG compliance requirements.
- Conduct comprehensive supplier selection, risk screening, and periodic audits for continuous improvement.
- Identify and support vulnerable and affected stakeholders across the supply chain.

Read more under Natural Capital on page 138 and 'Spirit of Progress' on page 36

Reducing Environmental Impact

- **Water Stewardship:** Encourage suppliers to reduce water usage, improve water management practices, and support replenishment efforts in high-stress areas.
- **Carbon Footprint:** Support suppliers in measuring, managing, and reducing greenhouse gas (GHG) emissions across the value chain, aligned with Diageo India's broader net-zero ambition.
- **Sustainable Packaging:** Collaborate with packaging suppliers to adopt circular packaging principles focusing on reducing material use, increasing recycled content, and transitioning to more recyclable and sustainable alternatives.

Agricultural Value Chain Partnerships

- Promote local and sustainable sourcing of raw materials.
- Align with Diageo's Global Sustainable Agriculture Guidelines for responsible agricultural practices.
- Member of the Sustainable Agriculture Initiative (SAI) Platform; leverage the Farm Sustainability Assessment (FSA) tool to evaluate and enhance farm-level sustainability.

Supply Chain Agility

- Continuously optimise the value chain to deliver a competitive cost structure and footprint efficiency through state-level sourcing and co-located manufacturing.
- Improve Return on Capital Employed (ROCE) and enhance capacity utilisation across the network.

Read more under Manufactured Capital on page 58

2 Supplier Relationship Management Framework

Ensuring Expected Standards

- Supplier assessments to improve ESG performance.
- Collaborate with industry associations for shared progress.

Building Capability

- Support and train suppliers to build their capabilities to meet our sustainability standards.

Local Business Impact

- Work with local suppliers to positively impact local economies.

3 Systems and Protocols

Secure contractual commitment from high-impact suppliers, in alignment with our 'Spirit of Progress' sustainable sourcing targets.

Segment suppliers based on their performance across procurement and sustainability KPIs, prioritising those demonstrating strong performance.

Honour the best-performing supplier with 'Grain to Glass Sustainability Award' at our annual supplier award ceremony.

Conduct monthly leadership reviews, led by the Head of Supply, to assess supply chain performance and progress towards 'Spirit of Progress' targets, driving continuous improvement.

Adopt a rigorous approach to awarding vendor contracts, encompassing standardised templates for selecting new suppliers and sustainability questionnaires to align with 'Spirit of Progress' standards.

Supplier Standards and Guidelines for Responsible Sourcing

In line with our focus on promoting responsible sourcing across our business value chain, we seek to collaborate with partners committed to addressing social and environmental challenges and doing business with integrity. We expect all our supply chain partners to comply with the ethical business conduct guidelines detailed in our Code of Business Conduct (Our Code) and Partnering with Suppliers Standard. Our Partnering with Suppliers standard outlines the minimum social, ethical, and environmental standards that are a part of our contractual agreement with our suppliers and value chain partners.

These standards and guidelines align our suppliers with our 'Spirit of Progress' ambitions. They empower the suppliers to embed and uphold the principles of ethical conduct within their own supply chains and in all business interactions while doing business for Diageo India, ensuring equity and fairness.

Standards covered in our Code for Suppliers

- Environmental Regulations and Policy
- Compliance with Laws, Regulations and Trade Controls
- Human Rights
- Health and Safety
- Bribery and Corruption
- Tax Evasion
- Conflicts of Interest
- Gifts and Entertainment
- Competition and Anti-Trust
- Marketing and Innovation
- Business Records and Confidential Information
- Key Elements of Our 'Spirit of Progress: ESG Action Plan'

Fostering an Inclusive and Diverse Supply Chain

At Diageo India, we believe that diversity of perspectives and experience drives growth and innovation. Fostering a diverse supplier base is essential for achieving agility, fresh ideas, experiences and cost efficiencies, accelerating product and process innovations.

What Defines a Diverse Supplier for us?

A diverse supplier is a company that is owned and operated by one or more individuals from traditionally underrepresented minority groups, including, women, people with disabilities, LGBTQIA+, ethnic minorities, or any other underrepresented group.

Inclusion and Diversity Agenda

- **Ambitious goal** of increasing our spend with diverse-owned and disadvantaged businesses.
- **Support suppliers** in embedding inclusion and diversity across their value chains.
- **Encourage suppliers** to implement inclusion and diversity programmes within their leadership teams, workforce, and supply chains.

Spend of procurement from diverse suppliers

6.2%

FY 2024-25

Goal

Increase our spends year-on-year with diverse suppliers

Prioritising Health and Safety in Our Value Chain

Our focus on the safety and well-being of our value chain partners is uncompromising. We undertake measures to identify areas of improvement and elevate safety standards across the value chain:

- Conduct value chain audit in accordance with the SMETA four-pillar audit, with health & safety and working conditions at the supplier's end serving as critical checkpoints.
- Support third-party manufacturing facilities in closing identified gaps, by involving them in Diageo India's safety campaigns and initiatives (e.g., National Safety Week, Road Safety Week), and engaging them in sharing and learning safety best practices, including horizontal deployment.
- Launched the I-Drive Safe campaign to promote safe driving through communication, engagement, and education on safe driving practices for public roads and work areas.
- Encourage third-party manufacturers to enhance their safety management systems and pursue external certifications. Currently, two units are ISO 45001 certified, while three units are in the certification process.
- Targeted campaign on 'Strive for Zero' is being implemented in five critical areas to enhance workplace safety.

Supplier Training and Development

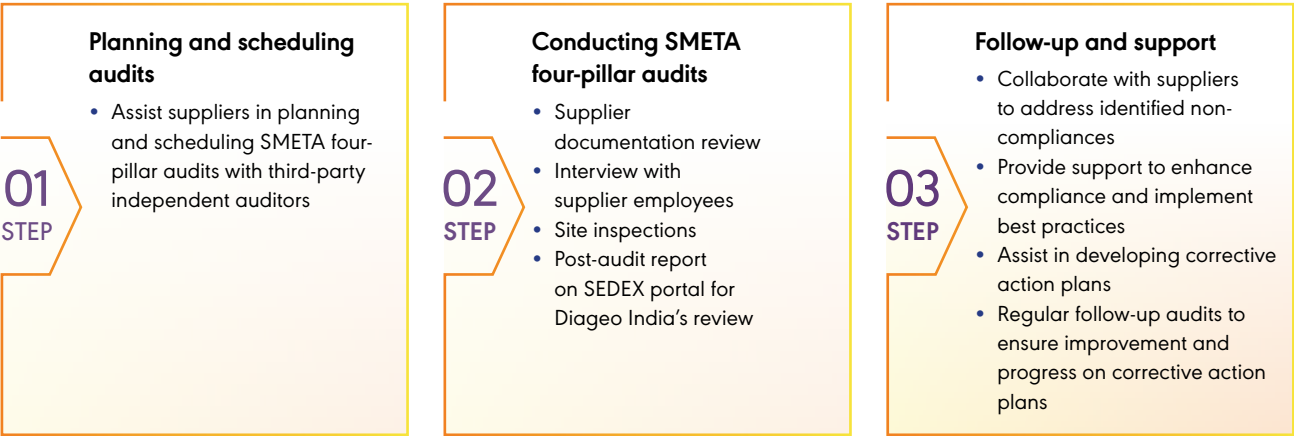
We conduct regular training and awareness programmes to empower our supply chain partners to meet our responsible sourcing commitment and strengthen supply chain resilience.

- All suppliers are required to go through the Partnering with Suppliers Standard and the Code of Business Conduct, during onboarding and contract renewals.
- We provide compliance training to high/medium risk business partners as part of our Know Your Business Partner (KYBP) programme.
- We train our procurement team members on human rights, empowering them to protect and advocate human rights in their roles.

Supplier Screening and Audits

Our robust supplier selection process ensures that partners align with Diageo India's ESG commitments while delivering quality services and materials. All high-risk suppliers are screened for labour standards, human rights (including child labour), and legal compliance such as fair pay. We have embedded our 'Spirit of Progress' and Responsible Sourcing programme into supplier contracts and bidding processes. Additionally, our rewards and recognition programme incentivises suppliers to continuously enhance their ESG performance, in line with our Partnering with Suppliers Standard.

Conducting Supplier Audits



Four Pillars of SMETA (Sedex Members Ethical Trade Audit)



As mandated by our Responsible Sourcing programme. All medium and high-risk supply chain partners are required to register with SEDEX and complete its Self-Assessment Questionnaire (SAQ). High-risk suppliers undergo independent audits as per the SMETA four-pillar audit protocol or its equivalent.

Our suppliers' sustainability performance and progress on ESG goals are regularly reviewed by a cross-functional team, the CSR & ESG Committee, the Executive Committee, and the CEO, ensuring the highest standards of supply chain operations. While we support and guide our suppliers in improving their operations and ESG compliance, we follow a zero-tolerance policy towards repeat non-compliance and terminate our business relationship with those having recurring non-compliances.

Respecting Human Rights Across Value Chain

As a signatory to the UN Guiding Principles on Business and Human Rights (UNGPR) since 2014, we remain committed to safeguarding and promoting human rights across our supply chain. Our Human Rights Global Policy and Partnering with Suppliers Standard explicitly articulate our expectations from our supply chain partners to act in accordance with the UNGPR and ILO's core recommendations and conventions. We undertake comprehensive Human Rights Impact Assessment (HRIA), prioritising risks based on global mapping process and covering our entire value chain, from tier one suppliers to primary producers such as farmers.

Progressing to Reinforce Supply Chain Sustainability in FY 2024-25

44

High-risk suppliers were audited

[Read more about human rights under Corporate Governance on page 150 and BRSR – Principle 5 on page 280.](#)

SOCIAL AND RELATIONSHIP CAPITAL - CUSTOMERS AND CONSUMERS



Enriching Customers and Consumers Experiences

Our ambition to be India’s best-performing, most trusted, and respected consumer products company is underpinned by a sharp focus on delivering against evolving customer and consumer needs. We drive this through product innovation and renovation, alongside responsible promotional execution. With customers and consumers at the core, we continue to scale our offerings to enhance experiences. Guided by strong standards and policies, our customer-centric approach enables us to respond to shifting preferences across premiumisation, well-being, and sustainability to deliver sustained, exceptional value.

Comprehensive portfolio for all occasions

Our extensive portfolio spans diverse categories and price points, ensuring offerings aligned to diverse occasions for all categories of customers and consumers. Coupled with our robust innovation capabilities, our diversified and balanced portfolio enables us to effectively respond to emerging category trends and consumer preferences. This makes us a preferred portfolio of brands for customers and consumers, harmonised completely with their evolving needs and choices.

Key Highlights FY 2024-25

[Read more about our portfolio in the Brand Capital section page 60](#)

30 out of 36

Manufacturing facilities are FSSC 22000 certified

Zero

Validated incidents related to health

UN SDGs linked



Material issues

M1 M4 M5

Strategic Priorities

S1 S3



Committed to Quality and Consumer Safety

Led by our unwavering consumer-centric approach, we strive to give our customers and consumers the highest standards of product quality, service and value. This enhances their confidence in our brand and drives our long-term success. Our quality policy reinforces this commitment, ensuring complete alignment with our consumer-focused strategy. It enables us to create products that are safe for consumption and efficaciously meet the ever-evolving taste, consistency and presentation expectations of our customers and consumers.

A robust quality control mechanism, encompassing internal and external assessments, complements our efforts. It steers our stringent adherence to global quality standards and comprehensive governance oversight.

Quality Excellence at Diageo India

We target two key dimensions of quality

Product/design quality

- Excellent design
- Premium liquid
- High-quality components
- Functional

Supply quality

- Defect-free
- Reliable
- Conformance to standards
- Safe product



Achieved by upholding quality and safety standards

- Site internal assessment aligned with Diageo India standards
- Independent market assurance
- FSSC 22000 certified distillation and packaging operations
- Positive release mechanism for finished products before moving to FG Warehouse
- All products subject to liquid testing and inspection for defects



Supported by comprehensive oversight structure

Management Level Audit and Risk Committee

Reviews risks related to customer health and safety, counterfeiting, contamination and food fraud

Supply and Procurement team (Led by the President - Global Supply and Procurement)

Monitors top KPIs for quality, such as total and critical pack defects, quality incidents, and distribution defects

Market-level teams

Assesses global and local quality metrics with the Market Head of Governance, escalating any issues to the Market Head of the Supply Chain

Ensuring Responsible Marketing and Labelling

The Diageo Marketing Code (DMC) encapsulates our well-structured approach towards governing all our marketing communications. The code is reviewed bi-annually for continuous industry and market alignment.

DMC is also designed to prevent marketing to consumers below the legal purchase age (LPA) or under 25 years, whichever is higher. A four-layer system is in place to ensure that our marketing campaigns target only LPA+ consumers. The system covers media planning and governance, use of verified logged-in data from platforms with inferred age modelling, layering of inferred data (applies demographic and interest-based targeting), and third-party verification.

Stringent adherence to applicable laws is ensured by our cross-functional teams. Our marketing, legal, brand technical, and regulatory functions review the packaging and labelling of new products, while market-based teams, including general managers, assess the communication effectiveness and optimise the organisation's marketing campaigns. Responsible brand marketing is further ensured through rigorous self-regulation, in compliance with a clearly laid down SOP for gate keeping and approval of marketing and communications material before it is deployed in any of the marketing channels.

Policies guiding our marketing and labelling

- Global Quality Policy
- Diageo Marketing Code
- Digital Code
- Responsible Research Global Standard
- Data Protection Global Policy
- Diageo Consumer Information Standard

Information displayed on our packaging and labels

- Alcohol content and nutrition information per serve
- Alcohol content by volume (ABV)
- At least one, and up to three responsible drinking symbols
- Reference to our global responsible drinking website - DRINKiQ.com
- List of allergens
- Recycling and sustainability symbols

We stay updated with regulatory and compliance developments through:

- Appointment of FBO Consultants and Technical Services.
- Memberships with Federation of Indian Chambers of Commerce and Industry (FICCI), Confederation of Indian Industry (CII) and International Spirits & Wines Association of India (ISWAI).
- Subscription to Indian Liquor Bottlers' Consortium (ILBCO).
- Membership with BIS Scientific Committee.

Additionally, for internal circulation and guardrails, we maintain a regulatory guideline document and follow project gate processes that ensure approvals at each step. Our online artwork approval system acts as a key checkpoint, allowing corrections before labelling reaches the market.

As part of our responsible marketing strategy, we also adhere strictly to data privacy rules and regulations.

 For details, refer Corporate Governance section, page 148

Incidents of non-compliance in FY 2024-25

Nil

Marketing communication violations with fines or penalties

Drink Better, Not More!

This underlying ethos drives our consumer and customer value proposition, enabling us to create and nurture a brand portfolio that captivates with its excellence, allure, and unique attributes. As a purpose-led organisation, we create premium beverages for delivering a world-class experience to our consumers, while promoting 'drink better, not more'. This approach is ingrained in our social values and embedded in our business model. We encourage consumers to savour each moment responsibly, and remain engaged with them through focused campaigns and programmes to promote moderation and road safety, and proactively address the hazards of harmful drinking.

 Read more under 'Spirit of Progress': on page 36 and 'Social and Relationship Capital – Communities' on page 122

Fuelling Consumer Engagement and Partner Success

At the core of our responsible strategy is a focus on dynamic consumer engagement, driving customer satisfaction and sustained success for our business partners. Guided by deep consumer understanding, our marketing and innovation teams leverage insights to introduce continuous innovations and renovations. This responsiveness ensures we meet evolving consumer and customer expectations while keeping our brands relevant and compelling.

We also undertake promotional activities and deploy dynamic merchandising strategies to maintain top-of-mind recall and reinforce our reputation as a brand of choice. By driving demand for our products, these efforts play a pivotal role in supporting our business partners’ growth in a sustained and sustainable way.

Refer brand capital section on page 82 for details of our consumer-centric initiatives

Investing in Consumer-centric Digital Initiatives

The contemporary business environment necessitates strong digital competencies in order to attract, connect, and engage consumers. As a dynamic organisation aligned with the evolving business eco-system, we are actively pursuing digital transformation to accelerate our future readiness, with speed and agility embedded in our business strategy. A key area of our focus has been our investments in consumer-facing digital initiatives. This includes enhancement of our consumer insights and capabilities to devise effective marketing and brand-building strategies through

a connected omnichannel journey. Harnessing the power of consumer data-driven insights, we deliver personalised digital and physical experiences, combining creativity with precision for maximum impact.

During the year, we continued to make significant strides in three identified areas - Digital Marketing, Owned Platforms, and Consumer Data.

Digital Marketing Optimisation

Established ‘Precision and Digital Factory’ to:

- Enhance our digital marketing practices.
- Implement best-in-class processes, capabilities, tools, and partnerships.

Impact achieved in FY 2024-25:

- Expanded always-on social content.
- Increased programmatic marketing.
- More cost-efficient media buying.
- Improved personalised media targeting, based on consumer interests, affinities, and first-party data.

Owned Platforms for Robust Content Creation

We reimaged in.thebar.com as a content-first hub for social celebrations and alcoholic beverages, driving organic content and community engagement.

Impact achieved in FY 2024-25:

- 10-15% growth in monthly visitation rates.
- Improved website metrics, such as bounce rates, time spent and engagement.

Consumer Data Facilitating Omnichannel and Personalised Communication

Consumer data acquired from CDP and Salesforce Marketing Cloud powers our marketing strategy, enabling precise and strategic engagement.

Impact achieved in FY 2024-25:

- Highly cost-effective direct engagement and personalised one-to-one consumer communication.
- Over 100% growth in compliant first-party data collections.

Securing Reliable Supply and Product Availability

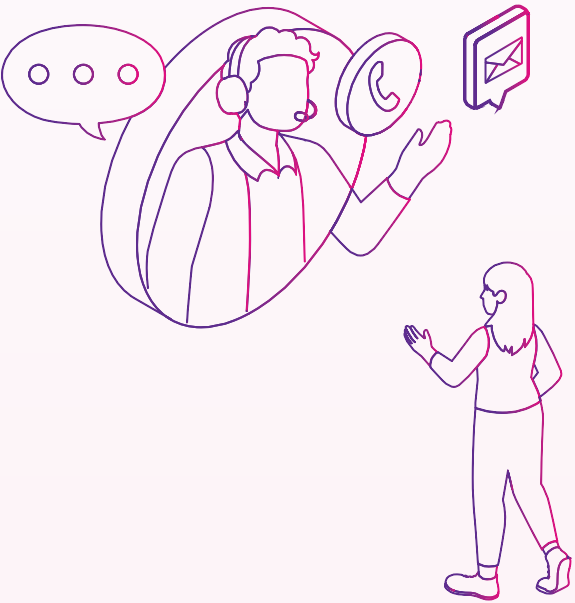
Ready availability and reliable supply of our products is pivotal to our customer-centric approach. This is important for serving customers in a timely manner, as per their specific need and requirement. We have deployed a structured sales and operations planning process to achieve this. We use the tool to forecast demand, which, through discussions with commercial teams, assists in both short-term and future planning.

Our well-crafted supply planning process aligns demand plans with inventory levels and norms to ensure efficiency in production and procurement planning. For imported (BIO) products, longer lead times (around three months) are considered for planning. We also conduct daily distribution planning, besides monitoring the out-of-stock (OOS) metric, to ensure seamless product availability and fulfilment across the supply chain.

We employ various metrics to track performance and enable swift corrective actions, including Availability to Promise (ATP) for production and Availability Index for material planning. We conduct periodical capacity planning reviews, undertaken by the Supply Leadership Team (SLT), to ensure timely expansion of manufacturing and storage capacities.

Effectively Addressing Consumer Concerns

A key imperative of consumer delight and customer satisfaction is ensuring that their concerns are addressed in a timely and effective manner. An efficient concern redressal mechanism is in place at Diageo India for our consumers to voice their concerns and seek resolution. Toll free contact number and email id are displayed on our packs/labels, enabling consumers to register their concerns.



Consumer Concern Resolution Process

Consumers can register their concern by emailing customercare@unitedspirits.in or calling our toll-free number at 1800-425-2433

Customer Care team registers the concern and sends acknowledgement within 24 working hours of initial contact

Diageo India internal team investigates the concern

Concern is resolved/addressed at the earliest, in line with our Consumer Complaint Management Policy

Read more in Business Responsibility and Sustainability Report on page 255

NATURAL CAPITAL



Enhancing Our Environmental Stewardship

Our reliance on natural resources as critical raw materials underscores the importance of prioritising environmental conservation.

Guided by our ‘Grain-to-Glass Sustainability’ strategy, we adopt a holistic approach to positively influence both the environment and society. This strategy is driven by measurable goals and actionable initiatives, enabling us to minimise our environmental impact while enhancing our natural capital. Through these efforts, we aim to ensure the long-term resilience of our business and the ecosystems we depend on.

UN SDGs Linked



Material Issues

M3 M6 M7
M11

Strategic Priorities

S3

Key Highlights FY 2024-25

93%

Reduction in absolute GHG emissions (Scope 1 & 2) in direct operations (market/net based) from FY 2020 baseline

54%

Improvement in quantum of water used per litre of spirit distilled (53% improvement across water-stressed sites) from FY 2020 baseline

99%

Renewable energy share in direct operations

35%

Improvement in quantum of water used per litre of beverage packaged (33% improvement across water-stressed sites) from FY 2020 baseline

59%

Material used in packaging has recycled input material

1.1 Mn Cubic Metres

Cumulative water replenishment capacity created in last three years across our water-stressed areas

99%

Material used in packaging is recyclable

Zero

Waste to Landfill in our direct operations



Pioneering Grain-to-Glass Sustainability

Pillars of Grain-to-Glass Sustainability



Accelerate to a low-carbon world



Preserve water for life

Accelerate to a Low-Carbon World

Our Energy and Emissions Management Strategy

‘Accelerate to a Low-Carbon World’ underscores our commitment to decarbonising operations and the value chain using science-based approach, innovation, and technology. By leveraging decarbonisation levers and fostering collaboration, we aim to mitigate climate risks, enhance resilience, and drive a sustainable transition to a low-carbon economy.

Areas of Action	Decarbonisation Drivers
Direct Operations	- Enhance energy efficiency through innovative technologies and optimised processes. - Transition to renewable electricity and fuel to minimise carbon emissions. - Offset residual emissions strategically, limiting offsets to no more than 10% of baseline emissions.
Supply Chain	- Identify and implement decarbonisation opportunities in sourced materials, products, and services. - Forge partnerships and alliances with suppliers to advance sustainable practices. - Support low-carbon innovations through collaboration and capability building.
Community	- Engage local communities in climate action initiatives to drive awareness and participation. - Restore and improve the natural environment by employing nature-based solutions in operational and sourcing areas. - Utilise climate goals to inspire and facilitate societal changes
Advocacy	- Lead industry efforts to promote collective action on climate solutions. - Collaborate with government bodies, NGOs, and trade associations to accelerate impactful climate action.

Performance Against ‘Spirit of Progress’ Goals

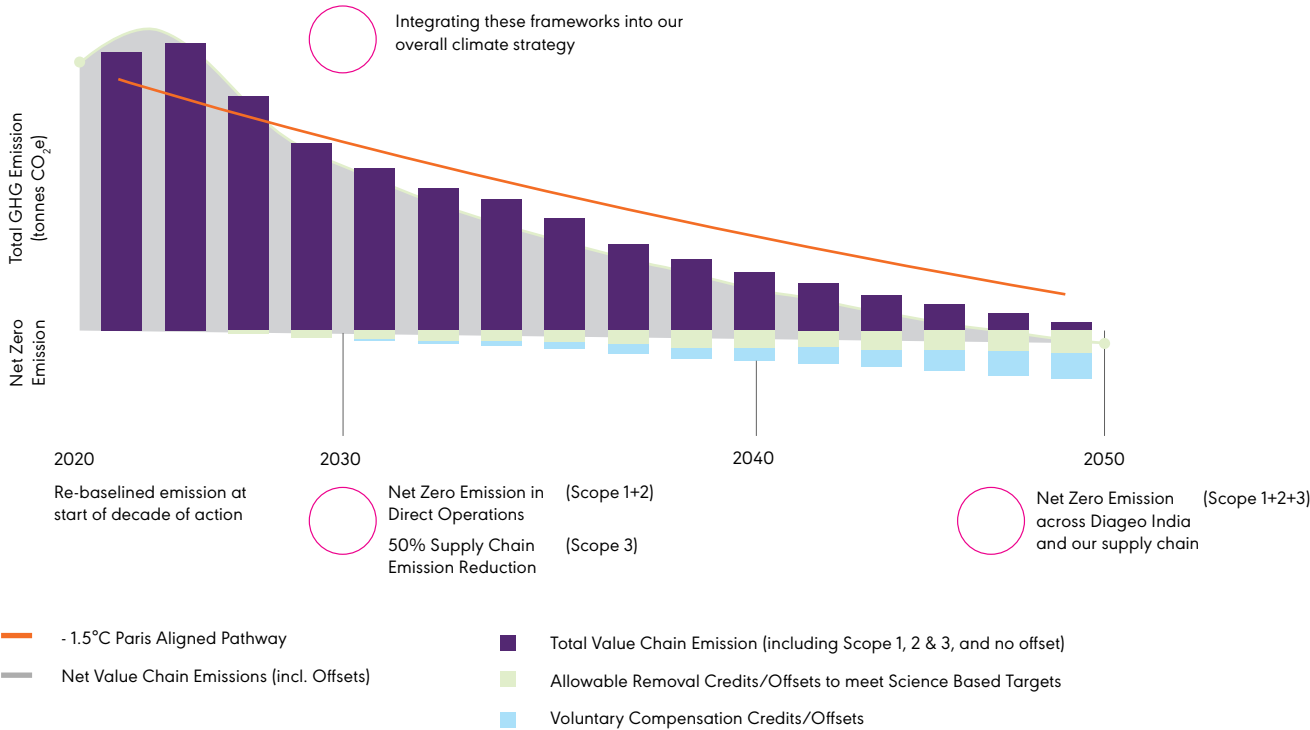
Indicator	Unit	Base Year (2020)	FY 2022-23	FY 2023-24	FY 2024-25	Target Year (2030)
Direct and indirect emissions from operations (Scope 1 and 2 market/net based)	Tonnes CO ₂ e	35,620	2,979	2,859	2,386	Become net zero in our direct operations (Scope 1 & 2)
Value chain emissions (Scope 3)	Tonnes CO ₂ e	11,87,523	13,18,778	12,33,737	12,91,031	50% reduction in value chain carbon emissions (Scope 3)
Use of renewable energy across our direct operations	Percentage	70.6%	98.6%	98.6%	99.1%	Use 100% renewable energy across all our direct operations

Four-pronged Emission Reduction Hierarchy

Reduce Energy Consumption	- Implement energy-saving measures like improving insulation, installing variable speed drives, upgrading to low-energy lighting systems, and optimising compressed air and steam systems. - Focus on reducing emissions while ensuring efficient investment in energy infrastructure.
Recover and Reuse Energy	- Enhance operational efficiency by incorporating heat recovery and reuse systems. - Minimise energy loss and waste, leading to a reduction in overall energy demand.
Convert Energy Sources to Renewables	- Invest in on-site solar power and biofuels to generate renewable energy. - Expand renewable capacity through on-site installations and power purchase agreements. - Prioritise direct emissions reductions over reliance on energy attribute certificates.
Minimise Energy Use across Supply Chain	- Collaborate with suppliers to transition to renewable and low-carbon fuels. - Encourage the adoption of innovative technologies and best practices to drive sustainability across the supply chain.

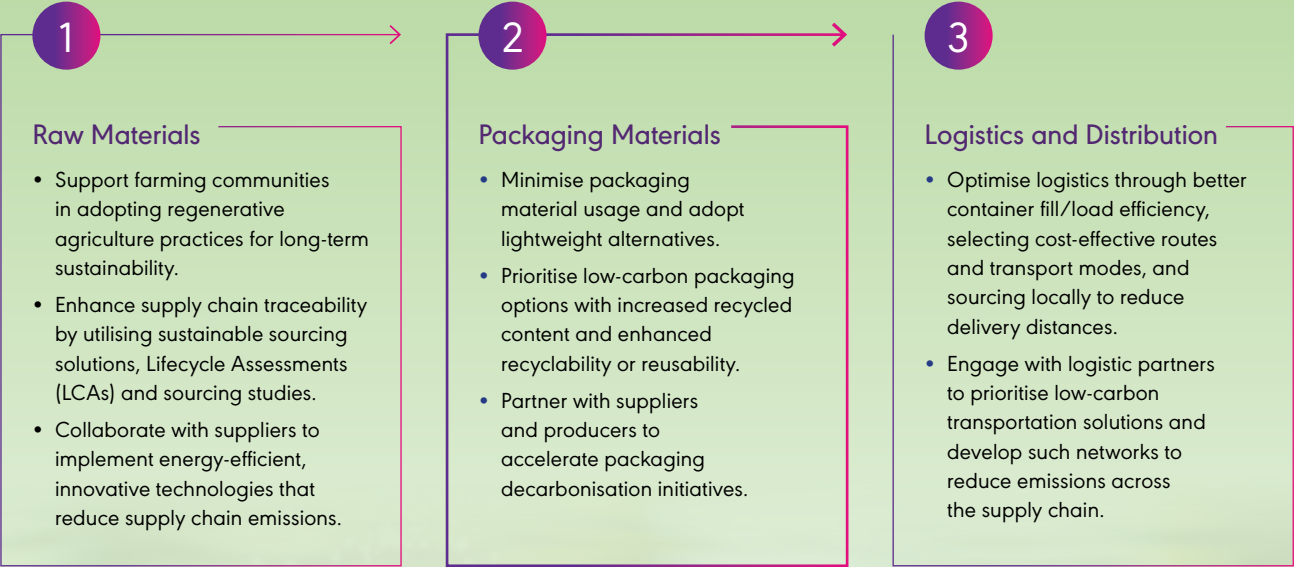
Net Zero Roadmap 2050

As part of our commitment to reducing our carbon footprint, we aim to achieve Net Zero in our direct operations by 2030 and across our supply chain by 2050. This aligns with our parent company - Diageo Plc’s commitment and is also in line with the Paris Agreement. We have adopted a science-based pathway for this transition, guided by the latest climate science and global frameworks. Our progress is measured against a 2020 baseline year, ensuring a clear and accountable path toward achieving Net Zero.



Building a Sustainable Value Chain

In pursuit of our goal to reduce Scope 3 emissions by 50% by 2030, we focus on key priority areas to drive sustainability across our value chain:



 Read more under Principle 6 of our FY 2024-25 BRSR.

Advancing Circular Packaging and Waste Reduction

Strategic Approach to Packaging and Waste Management

As part of our ‘Accelerate to a Low-Carbon World’ agenda, we prioritise sustainable packaging and responsible waste management to reduce our value chain carbon footprint. We continue to innovate in packaging design to enhance circularity, reduce waste, and support effective end-user disposal – enabling us to minimise environmental impact and contribute to a circular economy.

Responsible Waste Management

- Partner with certified waste handlers for safe disposal and recycling.
- Apply the principles of eliminate, reduce, reuse, and recycle.
- Implement a comprehensive waste management plan to identify and address improvement areas.
- Continuously monitor waste streams and apply best practices to optimise waste handling.
- Comply with Diageo’s Global Waste Elimination Standard and all regulatory requirements.



Sustainable Packaging Drivers



Performance Against ‘Spirit of Progress’ Goals

Indicator	Unit	Base Year (2020)	FY 2022-23	FY 2023-24	FY 2024-25	Target Year (2030)
Total volume of waste sent to landfill	Tonnes	10.1	0.6	0	0	Achieve zero waste created intended for landfill in our direct operations
Recyclable packaging (by weight)	Percentage	99%	99%	99%	99%	Ensure 100% of our packaging is widely recyclable (or reusable/compostable)
Recycled content in our packaging	Percentage	31%	57%	55%	59%	Increase recycled content in our packaging to 60%
Recycled content in our plastic (PET) bottles	Percentage	0	0	0	33%	Increase average recycled content in our plastic bottles (PET): - To 40% by 2025; - Followed by sequential improvement up to 100% by 2030
Plastics (by weight) covered and managed under EPR mechanism	Percentage	100%	100%	100%	100%	Collect and recycle/safely dispose 100% of plastic waste under the Extended Producer Responsibility (EPR) mechanism

Key Initiatives

- Transitioned to renewable fuel (biomass), achieving 100% coal-free distillation operations.
- Installed solar systems across multiple operating units, increasing in-house solar energy capacity to 2.7 MW.
- Led mangrove plantation initiatives in Puri, Odisha, through our brand ‘Signature’, planting more than 27,000 mangroves sequestering 10 times more carbon dioxide than other trees.
- Implemented lightweighting of glass bottles across our portfolio, reducing environmental impact as glass constitutes the largest portion of our packaging materials.
- Eliminated mono-cartons in 95% of our portfolio brands, significantly reducing packaging waste.
- Introduced food-grade r-PET packaging for a substantial portion of 180 mL packs, transitioning key SKUs from glass to r-PET.
- Reused market-returnable glass bottles through an end-of-life return system, extending the lifecycle of glass.

Value Created

- Achieved 93% reduction in absolute GHG emissions (Scope 1 & 2) in direct operations (market/net based) from the FY 2020 baseline.
- Avoided 1,860 tonnes of GHG emissions through on-site solar power utilisation.
- 51% recycled cullet in our glass bottle portfolio.
- Achieved 14% reuse of glass bottles by weight through market-returnable initiatives.
- Eliminated mono-cartons in 95% of the packaging portfolio.
- 100% of plastic waste was collected, recycled, or safely disposed of in compliance with the Plastic Extended Producer Responsibility (EPR) mandate.

Preserve Water for Life

Strategic Approach Towards Water Stewardship

Preserve Water for Life is a core pillar of our ‘Grain-to-Glass’ sustainability strategy, focused on water accessibility, availability, and quality. We are committed to ensuring water security and conserving this critical resource in the communities where we operate.

We focus on supporting community with sustainable water management practices, enhancing water efficiency across our operations, and replenishing water in stressed catchments to restore natural ecosystems. Additionally, we provide access to clean water, sanitation, and hygiene (WASH) for local communities, while advocating for collective action to achieve long-term water security. These targeted efforts aim to create a lasting positive impact on water resources and foster a sustainable, resilient future for all stakeholders.

Areas of Action	Water Saving Drivers
Water in our direct operations	- Enhance water efficiency at operational sites by reducing withdrawal and consumption. - Increase water recycling and replenishment while ensuring the safe discharge of wastewater. - Conduct water risk assessments to inform climate mitigation planning. - Work toward Alliance for Water Stewardship (AWS) certification for priority water basin sites.
Water in our supply chain	- Map water usage in agricultural supply chains and implement sustainable water management projects. - Collaborate with raw material and packaging suppliers to align with Diageo India’s water stewardship standards. - Support sourcing partners in water-stressed regions to build economic and environmental resilience.
Water in our communities	- Engage with communities to drive positive impacts on catchment water resources. - Invest in clean water, sanitation, and hygiene (WASH) initiatives in water-stressed areas near operational and sourcing sites.
Water advocacy	- Collaborate with regulators and stakeholders to develop water security solutions and integrate water issues into public policies. - Launch targeted water campaigns involving employees, customers, and supply chain partners to promote collective action.



[Read more under Principle 6 of our FY 2024-25 BRSR](#)



Performance against ‘Spirit of Progress’ goals

Indicator	Unit	Base Year (2020)	FY 2022-23	FY 2023-24	FY 2024-25	Target Year (2030)
Improvement in quantum of water used per litre of spirit distilled across the Company	Percentage	NA	44%	48%	54%	Reduce water use in our operations, with a 40% improvement in water use efficiency in water-stressed areas
Improvement in quantum of water used per litre of beverage packaged across the Company	Percentage	NA	30%	30%	35%	and 30% improvement in water use efficiency across the Company
Percentage of sites in water-stressed areas where water replenishment is greater than water consumption	Percentage	NA	NA	100%	100%	Replenish more water than we use for our operations in 100% of sites in water-stressed areas by 2026

Addressing water risks

The nature of our business operations makes water an essential element of all our brands, We recognise water, which is utilised across our value chain, as a shared resource. We continuously map its usage by undertaking water risk assessments every two years to identify the water-stressed areas where we operate and from where we source raw materials. WRI (World Resources Institute) Aqueduct tool, site surveys and third-party expertise are used for these assessments. We also conduct water source vulnerability assessment (SVA) for the sites identified as water-stressed, to prioritise water mitigation and adaptation plans for business-critical water basins. As of FY 2024-25, 9 out of our 11 own manufacturing sites were categorised as water-stressed.

Key initiatives

Zero Liquid Wastewater Discharge
Implemented ZLD outside plant boundary, enabling the treatment and recycling of 100% of wastewater.

Rainwater Harvesting
Established rainwater harvesting systems at several units, saving 8,563 cubic metres of fresh water annually.

Alliance for Water Stewardship (AWS) Certification
Our Alwar distillery became the first in Asia to achieve AWS certification, setting a benchmark in sustainable water management.

Regenerative Agricultural Practices
We have introduced regenerative practices for cultivating rice, which accounts for about 79% of our

agri raw materials purchase by value. Partnering with an external agency, we have enhanced visibility into our sourcing regions and launched a three-year pilot project in Nizamabad, Telangana, with 410 farmers across two seasons, Kharif and Rabi, to test water-efficient and carbon-mitigating methods such as the alternate wetting and drying method.

Collective Action and Community Engagement
We have trained smallholder farmers in regenerative agriculture to improve climate resilience and sustainable livelihoods. In collaboration with governments, NGOs, and local stakeholders, we are advancing water replenishment in priority catchments and investing in WASH initiatives for communities near our water-stressed sites.

Read more about community water stewardship initiatives under ‘Social and Relationship Capital – Communities’ on page 124

Fostering Biodiversity

Although our operational sites are not located around ecologically sensitive areas, we acknowledge our responsibility to conserve the natural ecosystems, including the local flora and fauna. Our brands proactively take the lead in biodiversity enhancement and habitat restoration initiatives.

Protecting the Godawan

In Rajasthan, we support Project W (GIB) with our implementation partner Gramodaya Samajik Sansthan (GSS), for in-situ conservation and habitat creation of the GIB or Godawan. GIB is a critically endangered species, native to the arid and semi-arid grasslands of India. Key project initiatives include restoring major water bodies, developing nesting habitats, and raising awareness among the local communities.

Read more under Principle 6 of our FY 2024-25 BRSR.

Value Created

1.1 Million cu.m

Water replenished in last three years across our water-stressed sites

54%

Improvement in quantum of water used per litre of spirit distilled from FY 2020 baseline

35%

Improvement in quantum of water used per litre of beverage packaged from FY 2020 baseline

Principle 6 of our FY 2024-25 BRSR



CORPORATE GOVERNANCE



Doing Business Responsibly

Upholding the highest governance standards is pivotal to the success of our business operations. Our robust governance process promotes ethics, integrity, transparency, and accountability in all our decisions and conduct. We have consciously integrated Environment, Social and Governance (ESG) metrics into our decision-making to foster sustainable growth and maximise shareholder returns, with a strong commitment to protecting the environment and supporting the communities in which we operate.

33%*

of our Board of Directors are women

* As on March 31, 2025

Nil

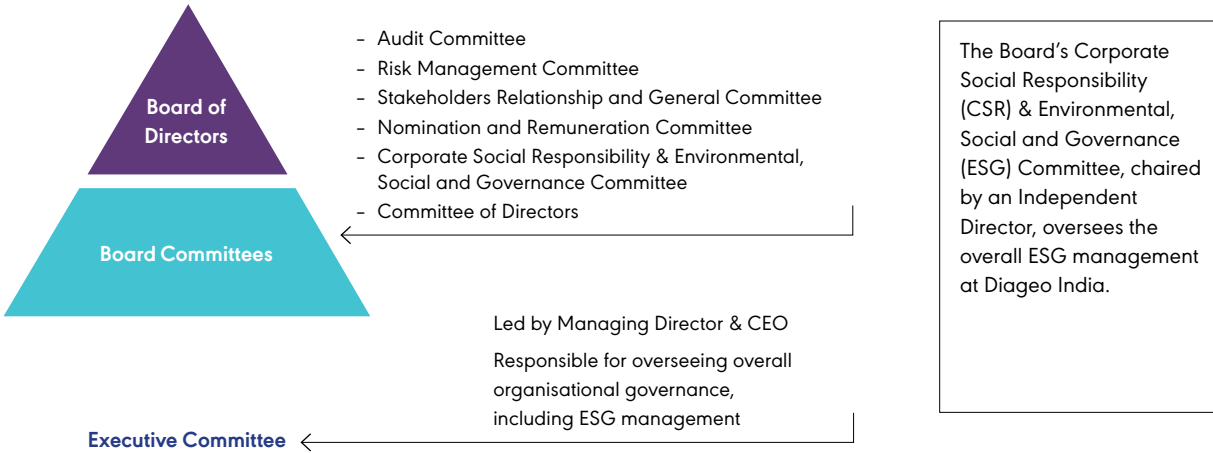
Instances of breach of consumer/customer data privacy

100%

Code of Conduct compliance rate for FY 2024-25

Robust Governance Structure

At Diageo India, the Board of Directors serves as the highest governance body. There are Board-level committees to provide strategic guidance and oversight for the overall governance of the organisation. The Board and its committees uphold high governance standards, and ensure stringent compliance with all applicable laws and regulations.



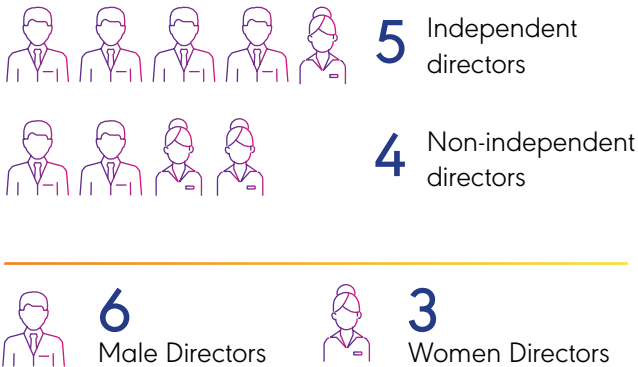
[Read more about ESG governance on page 38](#)

Board Composition*

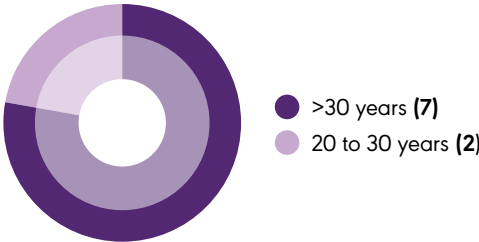
Diageo India is led by a well-balanced and diverse Board, having an optimal mix of Executive, Non-Executive, and Independent Directors. The Board has a total of nine members, including three women directors.

(i) Non-Independent Directors	
- Managing Director	01 (woman director)
- Executive Director	01
- Non-Executive Directors	02 (Diageo Plc nominees including 1 (woman director))
(ii) Independent Directors	
	05 (Diageo Plc nominees including 1 woman director)
Total Directors	09

Board Snapshot*



Diversity of Experience*



* As on March 31, 2025.

60 years

Average age of Directors

36 years

Average experience of Directors

91%

Average attendance at Board meetings

Ensuring Responsible Business Conduct



Code of Conduct

At Diageo India, the Code of Business Conduct serves as a guide for all employees to uphold ethical behaviour, integrity, and organisational values. Aligned with global policies of our principal shareholder, Diageo Plc, the Code includes standards and guidelines across key work areas. All employees are required to complete a mandatory e-learning module annually as part of the Company's compliance certification programme. Additionally, new joiners must complete the Code of Conduct training within 30 days of joining.



Human Rights

Respecting human rights is fundamental to how we do business. We are guided by Diageo Plc's Global Human Rights Policy, which aligns with internationally recognised human rights charters. This policy underpins our commitment to protecting and promoting the rights of all our stakeholders including employees, supply chain workers and partners, consumers, and the communities we operate in. In addition, our Dignity at Work policy, aligned with local laws and cultural norms, sets clear standards for personal integrity and adherence to our values. We also require our suppliers to uphold these principles, as outlined in our Partnering with Suppliers Standard.

Driving Compliance with Ethics and Integrity

- Dedicated Business Integrity Team, for integrating policy commitments into organisational strategies and procedures.
- Annual policy refresher trainings for all employees.
- Mandatory iBegin induction session for all-new joiners, including anti-corruption and anti-bribery procedures and Human Rights.
- Specialised anti-corruption and bribery trainings for all employees.



Anti-Corruption and Anti-Bribery

Diageo India follows a zero tolerance policy towards corruption and bribery, and has formulated a comprehensive countering corruption global policy of the principal shareholder, Diageo Plc that addresses all forms of anti-bribery and corruption. The core elements of the policy are outlined in the Code of Business Conduct, applicable to all our operations and personnel (including our subsidiaries and value chain partners).



Whistle-blower Mechanism

Our employees and value chain partners are encouraged to report any actual or suspected breach of code of conduct and policies, through the confidential 'Speak Up' channel, managed by an independent external party. The channel is accessible via telephone, email, website, and QR code. Employees can also raise their concerns through internal channels, such as Business Integrity members, as well as the Human Resources and the Legal departments, without fear of retaliation.

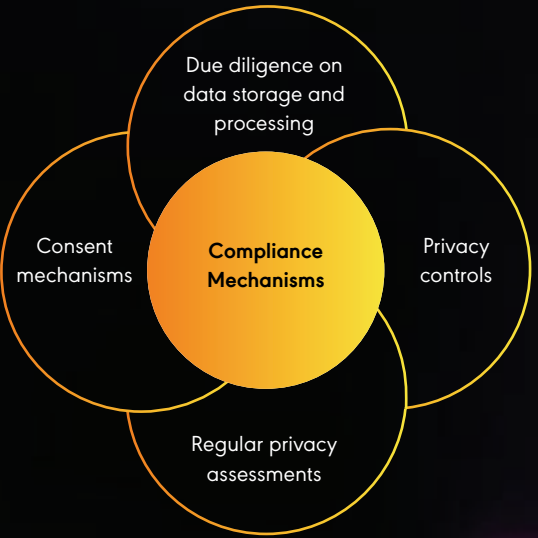
Core Principles of Human Rights Policy

-  Valuing diversity
-  Non-discrimination and preventing harassment
-  Child labour and forced labour
-  Wages and hours
-  Freedom of association
-  Health, safety and well-being

- Know Your Business Partner (KYBP), a robust third-party business partners due diligence programme to evaluate ethical business practices.
 - Internal assurance framework to enhance compliance.
- During FY 2024-25, there were 65 instances of breach of code and human rights violations reported. Out of these 65 instances, 78% of cases have been investigated and closed with appropriate actions taken against employees and process fixes, while enquiries are still ongoing for the remaining 22%.

Ensuring Data Privacy

Our global data privacy programme, established by our principal shareholder Diageo Plc and led by senior leadership, is designed to safeguard the personal data of employees, consumers, customers, and other stakeholders. Clear data handling standards, aligned with our values and privacy regulations, are embedded through our Code of Business Conduct and Data Privacy Policy. Our Chief Information Security Officer (CISO) co-chairs the Digital and Technology Risk Management Committee and oversees compliance mechanisms, while the legal team ensures ongoing adherence through regular reviews, audits, and controls.



 Read more about our governance practices in BRSR on page 301



Board of Directors*



Mr. V K Vishwanathan
Chairperson &
Independent Director
AC NRC CoD



Mr. Praveen Someshwar
Managing Director &
Chief Executive Officer
C&E RMC



Mr. Pradeep Jain
Executive Director &
Chief Financial Officer
RMC SRGC



Dr. Indu Bhushan
Independent Director
NRC C&E RMC



Mr. Mukesh Hari Butani
Independent Director
AC RMC SRGC



Ms. Amrita Gangotra
Independent Director
NRC SRGC



Mr. Mark Dominic Sandys
Non-Executive Director
C&E



Ms. Preeti Arora
Non-Executive Director
AC CoD

View the Directors' profiles at <https://www.diageoindia.com/en/investors/board-of-directors>

- Notes:
- Mr. D Sivanandhan and Mr. Rajeev Gupta ceased to be Directors, with effect from August 1, 2024
 - Dr. Indu Shahani ceased to be Director, with effect from September 30, 2024
 - Ms. Mamta Sundara ceased to be Director, with effect from October 1, 2024
 - Ms. Emily Kathryn (Kate) Gibson ceased to be Director, with effect from November 1, 2024
 - New Appointments:
 - Ms. Amrita Gangotra was appointed as an independent Director, with effect from September 1, 2024
 - Ms. Preeti Arora was appointed as Non-Executive Director, with effect from October 1, 2024

Committee Membership	
AC	Audit Committee
NRC	Nomination and Remuneration Committee
C&E	Corporate Social Responsibility & Environmental, Social and Governance Committee
RMC	Risk Management Committee
SRGC	Stakeholders' Relationship and General Committee
CoD	Committee of Directors
	Chairperson of respective committee

* effective April 1, 2025

Executive Committee Members*



Mr. Praveen Someshwar
Managing Director &
Chief Executive Officer



Mr. Pradeep Jain
Executive Director &
Chief Financial Officer



Mr. Jagbir S Sidhu
Chief Commercial Officer



Mr. Jitendra Mahajan
Chief Supply &
Sustainability Officer



Ms. Shilpa Vaid
Chief HR Officer



Ms. Ruchira Jaitly
Chief Marketing Officer



Ms. Shobhana Nikam
General Counsel



Mr. Devashish Dasgupta
Corporate Relations Director

* effective April 1, 2025

RCB – The Bold Evolution of a Cricketing Phenomenon



Genesis

Founded in 2008, Royal Challengers Bengaluru (RCB) is one of the original IPL franchises, owned by United Spirits Ltd (a Diageo company). Based at Bengaluru's iconic M. Chinnaswamy Stadium, the team rebranded from "Bangalore" to "Bengaluru" in 2024 to better reflect local identity and pride.



Legacy

RCB has emerged as one of the most followed and emotionally resonant franchises in IPL history. Known for its flamboyant cricket and electric atmosphere, the team has featured legendary players such as Virat Kohli, AB de Villiers, Chris Gayle, and Faf du Plessis. Despite enduring years of near-misses and heartbreak, RCB's loyal fanbase has remained unwavering.

CORPORATE OVERVIEW

STATUTORY REPORTS

FINANCIAL STATEMENTS

Philosophy — #PlayBold

Launched in 2015, the "Play Bold" philosophy defines RCB's identity. It celebrates fearless cricket, individuality, and high-intensity performance. This boldness extends beyond the field, with campaigns like "Her Game Too" promoting gender inclusivity, the eco-conscious "Go Green" match for sustainability awareness, and the immersive fan movement "12th Man Army". RCB stands for more than winning - it stands for playing with heart, passion, and authenticity.

Positioning

RCB is positioned as a lifestyle brand that transcends cricket. It connects deeply with urban youth and Bengaluru's cosmopolitan identity. The brand experience includes annual fan festivals like "RCB Unbox", stylish collaborations with Puma, and the popular RCB Bar & Café. RCB resonates with a generation that values creativity, connection, and courage, making it one of the most relatable and aspirational teams in the league.



Why Fans Love RCB

What sets RCB apart is its emotional depth and authenticity. Virat Kohli's loyalty since 2008 symbolises the team's spirit of commitment. The fans' enduring support through highs and lows has built a culture of belonging and resilience. RCB's engaging social media presence, bold visual identity, inclusive campaigns, and vibrant fan rituals transform cricket into a shared, living experience. For fans, RCB is not just a team – it's a part of who they are.

RCB Today

Awards and Recognition

- CII Sports Franchise of the Year (2023) – Honoured by the Confederation of Indian Industry for excellence in sports business, branding, and fan engagement.
- Global Social Media Ranking – RCB is the 3rd most interacted sports team globally on social media, reflecting its unmatched digital presence and fan loyalty.

RCB today is a brand that blends cricket with culture, purpose, and aspiration. It represents the soul of modern India: ambitious, expressive, inclusive, and proudly bold.



UNITED SPIRITS LIMITED

Registered Office: ‘UB Tower’, #24, Vittal Mallya Road, Bengaluru – 560 001, Karnataka, India.
Corporate Identification Number: L01551KA1999PLC024991
Tel: +91 80 2221 0705; Fax: +91 80 2224 5253;
Website: www.diageoindia.com | E-mail: investor.india@diageo.com

NOTICE

NOTICE is hereby given that the twenty-sixth Annual General Meeting (AGM) of members of United Spirits Limited (“the Company”/ “USL”) will be held on **Friday, 29th August 2025 at 3:30 pm IST** through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) to transact the following businesses:

ORDINARY BUSINESS

1. **To receive, consider and adopt Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2025, and the reports of Board of Directors and Auditors thereon.**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT the Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2025, and the reports of Board of Directors and Auditors thereon, as circulated to members, be considered and adopted.”

2. **To receive, consider and adopt Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2025, and the reports of Board of Directors and Auditors thereon.**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2025, and the reports of Board of Directors and Auditors thereon, as circulated to members, be considered and adopted.”

3. **To declare final dividend of ₹ 8 per equity share for financial year ended 31st March 2025.**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to recommendation of Board of Directors of the Company, a final dividend for financial year ended 31st March 2025 of ₹ 8 (400%) per equity share of face value of ₹ 2 per share, be and is hereby declared and paid out of profits of financial year 2024-25 to equity shareholders of the

Company whose name appear in the register of members of the Company as on Friday, 1st August 2025.”

4. **To appoint a director in place of Mr. Mark Dominic Sandys (DIN: 09543864) who retires by rotation and being eligible, offers himself for re-appointment.**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to section 152 and other applicable provisions of the Companies Act, 2013, and rules made thereunder (including any statutory modification(s) and/ or re-enactment(s) thereof for the time being in force) read with Articles of Association of the Company, Mr. Mark Dominic Sandys (DIN: 09543864), who retires by rotation at the ensuing Annual General Meeting of the Company, and being eligible for re-appointment, be and is hereby re-appointed as a Non-Executive Director of the Company, liable to retire by rotation.”

Relevant details of Mr. Mark Dominic Sandys pursuant to Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India is enclosed as **Annexure 1** to this Notice.

SPECIAL BUSINESS

5. **Remuneration payable to M/s. Rao, Murthy & Associates, Cost Auditor of the Company for the financial year ending 31st March 2026.**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to provisions of section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of members of the Company be and is hereby accorded for the proposed remuneration not exceeding ₹ 2 lakhs plus out of pocket expenses and applicable taxes, payable to M/s. Rao, Murthy & Associates, Cost Accountants, (Firm Registration Number: 000065), appointed by the Board of Directors of the Company on the recommendation of Audit Committee, as Cost Auditor

Notice (Continued)

of the Company, to conduct cost audit of the Company for financial year 2025-26.

RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

[Kindly click here for the explanatory statement of this item.](#)

6. **Appointment of M/s. Makarand M. Joshi & Co., as Secretarial Auditor of the Company.**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Regulation 24A and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, section 204 and other applicable provisions, if any, of the Companies Act, 2013 and applicable rules made thereunder, and pursuant to recommendation of Audit Committee and Board of Directors of the Company, M/s. Makarand M. Joshi & Co., (Firm Registration Number: P2009MH007000; Peer Review Certificate No. 6832/2025) be and are hereby appointed as Secretarial Auditor of the Company, for a term of 5 (five) consecutive years, to conduct Secretarial Audit of the Company for the financial year 2025-26 to 2029-30, at such remuneration as may be decided by the Board in consultation with the Secretarial Auditor.

RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution.”

[Kindly click here for the explanatory statement of this item.](#)

7. **Approval of remuneration payable to Mr. Pradeep Jain (DIN: 02110401), Executive Director and Chief Financial Officer of the Company for a period of two years.**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to provisions of section 196, 197, 198, read with Schedule V and any other applicable provisions, if any, of the Companies Act, 2013, (the “Act”) and the rules framed thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s)]

thereto or re-enactment(s) thereof for time being in force], pursuant to Articles of Association of the Company and as approved by the Board of Directors of the Company (the “Board”) based on the recommendation of the Nomination and Remuneration Committee (“NRC”), Mr. Pradeep Jain (DIN: 02110401) be paid the below mentioned remuneration for his remaining tenure from 1st February 2026 to 31st January 2028:

Compensation Plan	Amount in ₹ (Per Annum)
Basic Salary	1,19,84,616
Basket of Allowances (BOA)	1,39,14,473
Total Base Salary (Basic + BOA)	2,58,99,089
Company’s contribution to Provident Fund	14,38,154
Target Annual Incentive Plan (Target AIP)	1,19,84,616
Target Cost to Company (CTC) (inclusive of insurance and gratuity)	3,99,48,719

RESOLVED FURTHER THAT the maximum Annual Incentive Plan (AIP) payable would be 300% of Target AIP depending on individual performance of Mr. Pradeep Jain and business performance as may be recommended by NRC and approved by the Board.

RESOLVED FURTHER THAT the aforesaid remuneration (subject to such other revisions, modifications including inter-se changes in various components of CTC) and increments, including any increments to Basic Salary and BOA and consequential increase to the Company’s contribution to Provident Fund, Gratuity, AIP etc., as may be approved by the Board from time to time (based on recommendation of NRC and as per rules/ policy of the Company) will be within an overall limit of ₹ 12 crore per annum (excluding one-time discretionary incentive mentioned below).

RESOLVED FURTHER THAT in absence or inadequacy of profits in any financial year, the remuneration including perquisites will be paid in accordance with applicable provisions of section 197 read with Schedule V of the Act.

RESOLVED FURTHER THAT Mr. Pradeep Jain shall also be entitled to all other benefits/ allowances, travel, telephone, membership(s) and other reimbursement entitlements, insurance coverage, as per his grade in accordance with the policy of the Company (as may be modified from time to time).

RESOLVED FURTHER THAT Mr. Pradeep Jain shall also be entitled to annual grant of Diageo Executive Long-Term Incentive Plan (DELTIP), Stock Appreciation Rights (SARs) of the Company or other Long Term Incentive plans (LTI), as may be

Notice (Continued)

approved by the Board from time to time, in accordance with the policy of the Company and as per terms and conditions of respective plan and upon approval of NRC, subject to overall limit on remuneration specified herein.

RESOLVED FURTHER THAT all unvested long-term instruments upon determination of his term as Executive Director and Chief Financial Officer shall be dealt with appropriately based on approval of Board (upon recommendation of NRC) so long as same does not exceed ₹ 7 crore.

RESOLVED FURTHER THAT a retention bonus in the form of one-time discretionary incentive, as approved by the Board (based on recommendation of NRC), of an amount not exceeding ₹ 2.41 crore be paid to Mr. Pradeep Jain in July 2026, subject to a holistic performance assessment and continuation of employment with the Company.

RESOLVED FURTHER THAT all other terms of appointment remain the same as approved by members through Postal Ballot on 20th April 2023 and/ or as may be approved by Board from time to time based on recommendation of NRC and as per the rules/ policy of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary for obtaining necessary approvals in relation to the above and to execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of its powers herein conferred to any Director, Company Secretary or any other officer(s) of the Company.”

Kindly click here for the explanatory statement of this item.

8. **Approval of Material Related Party Transactions.**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to section 188 and other applicable provisions of the Companies Act, 2013 (the “Act”), if any, read with rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, to the extent applicable, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the provisions of Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), read with the Company’s “Policy on Related Party Transactions” and as approved by the Board of Directors of the Company (the “Board”) on recommendation of Audit Committee, approval of members of the Company be and is hereby accorded for continuing with Material Related

Party Transactions/ contracts/ arrangements/ agreements by the Company with Diageo Brands B.V., Netherlands (“DBBV”), a Related Party within the meaning of section 2(76) of the Act, and Regulation 2(1)(zb) of the Listing Regulations, for the financial year 2025-26, individually and/ or in aggregate upto an amount of ₹ 1,822 crore (Rupees One Thousand Eight Hundred and Twenty Two crore only) provided however, that the said contracts/ agreements/ arrangements/ transactions shall be carried out on an arm’s length basis and in ordinary course of business of the Company in the nature of:

- a) Import of Bottled in Origin (BIO) brands for distribution in India market;
- b) Import of Bulk Scotch for bottling Diageo Brands in India (Bottled in India or BII brands);
- c) Import of Bulk Scotch as raw material to be used in the manufacture of Company’s brands;
- d) Availing/ rendering of any kind of service(s), or any other transaction(s) for transfer of resources, services or obligations, other reimbursements or recoveries and royalty (“Residual RPTs”).

Collectively (“RPTs”) on such terms and conditions as detailed in explanatory statement to this Resolution and as may be mutually agreed between the Company and DBBV.

RESOLVED FURTHER THAT the Board (which term shall be deemed to include Audit Committee) be and is hereby authorised to perform and execute all such acts, deeds, matters and things, including delegation of all or any powers conferred herein, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto, and also to settle any issue, question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem fit or desirable, subject to compliance with applicable laws and regulations, without the Board being required to seek any further consent/ approval of members.”

Kindly click here for the explanatory statement of this item.

**By order of the Board of Directors of
United Spirits Limited**

Sd/-
Mital Sanghvi
Company Secretary
Membership No. A16781
Place: Bengaluru
Date: 28th July 2025

Notice (Continued)

NOTES

Explanatory Statement:

1. An explanatory statement, pursuant to section 102 of the Companies Act, 2013 (the “Act”), setting out material facts concerning item no. 5 to 8 in this AGM Notice is annexed hereto and forms part of this Notice.

Virtual Meeting:

2. The Ministry of Corporate Affairs (MCA) vide its General Circular No. 20/ 2020 dated 5th May 2020 read with subsequent circulars issued from time to time, the latest one being General Circular No. 09/ 2024 dated 19th September 2024, (MCA Circulars) and Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated 12th May 2020 read with subsequent circulars issued from time to time, the latest one being Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 3rd October 2024, (SEBI Circulars) (hereinafter collectively referred to as “Circulars”) has permitted companies to conduct AGM through Video Conference (VC) or Other Audio-Visual Means (OAVM), without physical presence of members at a common venue, until 30th September 2025. Accordingly, in compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and above Circulars, 26th AGM of the Company is being held through VC/ OAVM on **Friday, 29th August 2025 at 3:30 pm IST** with deemed venue being the Registered Office of the Company.
3. Members to note that Central Depository Services (India) Limited (“CDSL”) will be providing facilities of voting through remote e-voting and e-voting during the AGM and VCNOW will facilitate the participation in AGM through VC/ OAVM. The procedure for participating in the meeting through VC/ OAVM is explained in detail in Annexure 2 below and is also available on the Company’s website at www.diageoindia.com.
4. Participation of members through VC/ OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Act.
5. Pursuant to Regulation 44 of SEBI Listing Regulations and the aforesaid circulars, facility for appointment of Proxy by members is not available for this AGM. Accordingly, proxy form, attendance slip including route map to the venue are not annexed to this Notice.

However, pursuant to section 112 and 113 of the Act, representatives of members such as the President of India or the Governor of a State or body corporate can attend this AGM through VC/ OAVM and cast their votes through e-voting.

Authorized Representative:

6. Institutional/ Corporate members intending to authorize its representatives to participate and vote at the AGM through VC/ OAVM are requested to send a scanned copy (PDF/ JPEG) of the certified copy of Board Resolution/ Authorization Letter, authorizing its representatives to the Scrutinizer by email at sudhir.compsec@gmail.com or to the Company at investor.india@diageo.com or upload the same on VC portal/ e-voting portal.

Electronic dispatch of Integrated Annual Report and process for registration of e-mail ID and for obtaining copy of Integrated Annual Report:

7. In compliance with aforesaid Circulars, the 26th AGM Notice along with Integrated Annual Report for Financial Year 2024-25 (FY25) is being sent through electronic mode to those members whose email addresses are registered with the Company/ Depositories.
8. Members may note that the AGM Notice and Integrated Annual Report for FY25 is also available on the Company’s website at www.diageoindia.com, websites of Stock Exchanges viz., the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) at www.bseindia.com and www.nseindia.com, respectively.
9. Members are required to immediately inform details of their email addresses, if any, as mentioned below, in order to receive all notices and other statutory documents which are required to be sent to members of the Company as per the Act and SEBI Listing Regulations:
 - a) **In case of shares held in physical form** – to the Company’s Registrars and Share Transfer Agents (RTA) viz., Integrated Registry Management Services Private Limited at #30, Ramana Residency, 4th Cross, Sampige Road, Bengaluru – 560 003, Karnataka, India. (Tel No. +91 80 2346 0815-818 Fax No. +91 80 2346 0819), and
 - b) **In case of shares held in dematerialized/ electronic form** – to respective Depository Participants.
10. Physical copy of Integrated Annual Report for FY25 (including 26th AGM Notice) shall be sent only to those members who specifically request for the same. Accordingly, members who wish to obtain a physical copy of the above, may write to the Company at investor.india@diageo.com or to the RTA at bg1sta@integratedindia.in, requesting the same, by providing their holding details.
11. A letter providing web-link, including exact path, where complete details of Integrated Annual Report is available, is being sent to members whose email ID is not registered with the Company/ Depositories.

Notice (Continued)

Members holding shares in physical mode (Physical members):

12. Physical members to note that effective 1st April 2019, transfer of shares through physical mode are not permitted pursuant to SEBI notification dated 8th June 2018. Additionally, the Company's equity shares are under compulsory dematerialization viz., trading of these shares would be facilitated through stock exchanges only if physical shares are dematerialized.

Accordingly, Physical members are advised to consider opening a demat account with an authorised Depository Participant (DP) and arrange for dematerializing their physical shareholding in the Company.

Pursuant to SEBI Circular vide SEBI/ HO/ MIRSD/ MIRSD-PoD/ P/ CIR/ 2025/ 97 dated 2nd July 2025, a special window has been opened for a period of six months from 7th July 2025 till 6th January 2026, exclusively for re-lodgement of transfer deeds, which were lodged by members prior to the deadline of 1st April 2019 and rejected/ returned/ not attended to due to deficiency in the documents/ process or otherwise.

During this period, all securities re-lodged for transfer (including requests currently pending with the company or its RTA as on date) shall be processed only in dematerialized (demat) mode. Due process, as prescribed under applicable regulations, to be followed for all such transfer-cum-demat requests.

Members are requested to use this opportunity and reach out to RTA/ the Company for any support/ guidance in this regard.

13. Physical members to note that SEBI vide its Master Circular No. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/91 dated 23rd June 2025 ("SEBI Master Circular") has mandated listed companies to issue securities only in dematerialized form while processing service requests viz., issue of Letter of Confirmation (LOC) in lieu of duplicate securities certificate, claim from unclaimed suspense account, renewal/ exchange of securities certificate, endorsement, sub-division/ splitting of securities certificate, consolidation of securities certificates/ folios, transmission or transposition.

Accordingly, members are requested to make service requests by submitting a duly filled and signed Form ISR-4, format of which is made available on Company's website at <https://www.diageoindia.com/en/investors/shareholder-centre/downloads>. Additionally, all service requests shall be processed only after the folio is KYC Compliant.

14. Physical members have been mandated to furnish PAN, choice of Nomination (optional), contact details, Bank A/c details and specimen signature for their corresponding folio numbers vide SEBI master circular dated 23rd June 2025.

Accordingly, Physical members are requested to submit duly filled and signed prescribed forms by sending an email from your registered email ID to bglsa@integratedindia.in and send physical copies of the above to M/s. Integrated Registry Management Service Private Limited, Unit: United Spirits, Limited, No. 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bengaluru – 560 003, Karnataka, India.

Format of prescribed forms are made available on Company's website at <https://www.diageoindia.com/en/investors/shareholder-centre/downloads>.

15. Effective 1st April 2024, Physical members whose folios are not updated with any of aforesaid KYC details, shall be eligible to get dividend in electronic mode, only after furnishing their KYC details. Accordingly, the Company encourages physical members to ensure their folios are KYC compliant in order to receive their dividends in a timely manner.

Dividends and related matters:

16. The Board of Directors of the Company at their meeting held on 20th May 2025, have, inter alia, approved and recommended payment of final dividend of ₹ 8 (Rupees Eight only) per equity share of face value of ₹ 2 (Rupees Two only) each, for the financial year ended 31st March 2025 ("Final Dividend"), subject to approval of members at the ensuing AGM.

17. Final dividend for FY25, if approved by members at the ensuing AGM, will be paid on or after Thursday, 4th September 2025, to those members whose names appear on the Register of Members of the Company or Register of Beneficial Owners maintained by the Depositories as on the record date i.e., Friday, 1st August 2025.

18. Members holding shares in physical/ demat form are hereby informed that bank particulars registered with RTA or their respective DP, as the case may be, will be considered by the Company for payment of final dividend. Accordingly, members are required to submit their bank account details, if not already registered, as mandated by the SEBI.

Further, members are requested to ensure that their PAN is linked to Aadhaar as per the date specified by the Central Board of Direct Taxes.

FAQs on Tax deducted at Source on Dividend are available on the website of the Company at <https://www.diageoindia.com/en/investors/shareholder-centre/downloads>

Unclaimed Dividends:

19. All unclaimed dividends for the period from 1st April 1999 to 31st March 2013, required to be transferred to the Investor

Notice (Continued)

Education and Protection Fund (IEPF) in terms of the provisions of the Companies Act, 1956 and the Companies Act, 2013, were transferred to IEPF.

Since FY14 upto FY23, the Company has not declared any dividend. Thereafter, the Company has declared the following dividends:

Financial Year (FY)	Particulars	Record Date	Dividend per share
FY24	Interim Dividend	17 Nov 2023	₹ 4
	Final Dividend	12 Jul 2024	₹ 5
FY25	Interim Dividend	3 Apr 2024	₹ 4

The Investor Education and Protection Fund (IEPF):

20. Members are requested to note that dividends, if not encashed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF).

Further, all shares in respect of which dividend has remained unclaimed for 7 consecutive years or more from the date of transfer to unpaid dividend account, shall also be transferred to IEPF.

In view of this, members are requested to claim their unclaimed dividends, if any, from the Company, within the following timelines:

Particulars	Declaration Date	Last date for claiming unpaid/ unclaimed dividend
Interim Dividend FY24	8 Nov 2023	9 Dec 2030
Final Dividend FY24	31 Jul 2024	30 Aug 2031
Interim Dividend FY25	27 Mar 2024	27 Apr 2032

21. Pursuant to provisions of IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), the Company has uploaded details of unpaid and unclaimed amounts lying with the Company as on 31st March 2025 on Company's website at <https://www.diageoindia.com>.

22. During FY25, the Company transferred ₹ 1.51 crore to IEPF towards the final dividend of FY24, on shares which have already been transferred to IEPF.

23. Members may note that unclaimed dividends which are transferred to IEPF can be claimed only by submitting an application in form IEPF-5 to the Ministry of Corporate Affairs ("MCA") available on website <https://www.mca.gov.in>.

Tax on Dividends:

24. As per Income-tax Act, 1961, dividends paid or distributed by the Company after 1st April 2020, shall be taxable in the hands of members and the Company shall be required to deduct tax at source (TDS) at prescribed rates from dividend to be paid to such members, subject to requisite approvals. For prescribed rates for various categories, kindly refer to the Income-tax Act, 1961 and amendments thereof.

a. An email communication was sent to all members informing relevant procedure to be adopted by them/ documents to be submitted for availing applicable tax rate.

b. Resident and Non-Resident members are requested to duly fill and sign aforesaid documents and upload the same, as applicable, only on RTA's weblink i.e., <https://ipostatus.integratedregistry.in/TaxExemptionRegistration.aspx> on or before Wednesday, 6th August 2025, 06:00 pm IST, to enable the Company to determine appropriate TDS/ withholding tax rate for the proposed final dividend for FY2025. Further members may note that tax determination/ deduction received post Wednesday, 6th August 2025, 06:00 pm IST shall not be considered for payment of final dividend for FY2025. For any queries/ clarification, members may address the same to bglsa@integratedindia.in.

c. Members to note that in case tax on aforesaid dividend is deducted at a higher rate due to non-receipt of or satisfactory completeness of the aforementioned details/ documents by Wednesday, 6th August 2025, members may claim an appropriate refund in their return of income filed with respective tax authorities.

d. Members are requested to ensure that their PAN, choice of nomination, contact details including mobile number, email ID, bank account details and residential status of their demat accounts are updated with Depository Participant ("DP"), in order to receive communications from the Company and any benefits arising out of corporate action in a timely manner. Any change in aforesaid details is required to be updated with your DP directly.

Procedure for inspection of documents:

25. All documents referred to in this Notice shall be available at the Registered Office of the Company for inspection without any fee on all working days (Monday to Friday), during normal business hours (09:00 hrs to 17:00 hrs IST) upto Thursday, 28th August 2025. Additionally, members seeking to inspect such documents electronically may send an email providing your holding details to the Company at investor.india@diageo.com.

Notice (Continued)

26. During the AGM, the Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under section 189 of the Act, shall be available for inspection electronically, by members on the e-voting portal.

Nomination:

27. Pursuant to section 72 of the Act and SEBI Circular, facility for making nomination is made available for members in respect of shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13.

If a Physical member desires to opt-out or cancel earlier nomination and record a fresh nomination, they may submit duly filled and signed Form ISR-3 or SH-14, as the case may be, to the RTA. Aforesaid forms are made available in Company's website <https://www.diageoindia.com/en/investors/shareholder-centre/downloads>. Demat members are requested to contact their DP for recording their nominations.

Grievance redressal:

28. Members are requested to email their grievances, if any, for redressal at bglsta@integratedindia.in or investor.india@diageo.com along with their full name, Folio No./ DP ID and Client ID, contact number and a detailed description of their discrepancy.

Procedure for remote e-voting and e-voting during the AGM:

29. In compliance with the provisions of section 108 of the Act and Rule 20 of the Companies (Management and Administrations) Rules, 2014, the Company is pleased to provide members with a facility to exercise their right to vote at the AGM by electronic means and the votes may be cast through electronic voting ("e-voting") services provided by CDSL.

30. Facility for e-voting shall also be made available during the meeting and members attending the meeting through VC, who have not cast their vote by remote e-voting can exercise their vote during the meeting.

31. Members who have cast their vote by remote e-voting, prior to the meeting, may attend the meeting but shall not be entitled to cast their vote again.

32. Any person who acquires shares of the Company and becomes a Member of the Company after sending of this Notice and holding shares as of the cut-off date, may obtain their login credentials by sending an email to helpdesk.evoting@cdslindia.com. However, if the member has already registered with CDSL for remote e-voting, members can use their existing credentials for casting their vote(s).

33. Key dates in relation to e-voting:

Cut-off date: Friday, 22 nd August 2025	
Remote e-voting period:	Begins on Monday, 25 th August 2025 at 09:00 hrs IST Ends on Thursday, 28 th August 2025 at 17:00 hrs IST E-voting module shall be disabled by CDSL for voting thereafter. AGM Notice is also disseminated on CDSL' website at www.evotingindia.com .

34. Instructions for members for voting electronically is provided as [Annexure 2](#).

Scrutinizer for this AGM:

35. Mr. Sudhir V. Hulyalkar, Company Secretary in Practice (CP: 6137), failing him Mr. Sudhindra K S, Practicing Company Secretary (CP No. 8190) shall act as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

36. Scrutinizer shall make a consolidated Scrutinizer's Report of votes cast in favour or against, if any, to the Chairperson or person(s) authorized by him within two working days after conclusion of AGM, and the Company will declare the voting results forthwith.

37. The results declared along with Scrutinizer's Report shall be placed on Company's website www.diageoindia.com and on stock exchanges' website viz., the National Stock Exchange of India Limited at www.nseindia.com and the BSE Limited at www.bseindia.com, immediately after the result is declared by the Chairperson or any person authorised by the Company and communicated to the concerned stock exchanges.

Speaker Registration:

38. Members who would like to express their views/ ask questions during the AGM may register themselves as a speaker by sending their request in advance **at-least 5 days prior to AGM** mentioning their name, demat account number/ folio number, email ID, mobile number at investor.india@diageo.com and only those members are allowed to express their views/ ask questions during the AGM.

39. Members who do not wish to speak during the AGM but have queries may send their queries in advance 5 days prior to meeting mentioning their name, demat account number/ folio number, email ID, mobile number at investor.india@diageo.com. These queries will be responded appropriately by the Company.

Notice (Continued)

EXPLANATORY STATEMENT AS REQUIRED

UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5: Remuneration payable to M/s. Rao, Murthy & Associates, Cost Auditor of the Company for the Financial Year ending 31st March 2026.

Pursuant to provisions of Section 148 of the Companies Act, 2013 (the "Act"), read with Companies (Audit and Auditors) Rules, 2014, maintenance of Cost Records and Cost Audit is applicable for the Company and remuneration payable to Cost Auditor is required to be approved by the members of the Company.

Based on recommendation of Audit Committee, the Board of Directors of the Company (the "Board") approved appointment of M/s. Rao, Murthy and Associates, Cost Accountants (Firm Registration Number: 000065), as Cost Auditor of the Company for conducting audit of cost records of the Company for financial year 2025-26, at a remuneration of ₹ 2 Lakh (Rupees Two Lakh only) plus applicable taxes and reimbursement of out-of-pocket expenses).

Item No. 6: Appointment of M/s. Makarand M. Joshi & Co. as Secretarial Auditor of the Company

Pursuant to recently amended Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (SEBI Listing Regulations) and provisions of section 204 of the Companies Act, 2013 (the "Act") and applicable rules, the Audit Committee and the Board of Directors of the Company at their meetings held on 19th and 20th May 2025, have approved and recommended appointment of M/s. Makarand M. Joshi & Co., a peer reviewed firm of practicing Company Secretaries (Firm Registration No. P2009MH007000) ("MMJC") as Secretarial Auditor of the Company on following terms and conditions:

Terms of Appointment	For 5 (Five) consecutive years from FY 2025-26 to FY 2029-30.
Proposed Fees	₹ 4,50,000/- (Rupees Four Lakh and Fifty Thousand only) plus applicable taxes and other out-of-pocket expenses. Aforesaid fee is in connection with secretarial audit for Financial Year ending 31 st March 2026. For subsequent year(s) of their term, fee shall be determined by the Board, on recommendation of Audit Committee and in consultation with the Secretarial Auditor. The total estimated fees for all other services payable (such as Annual Secretarial Compliance Report, certification in form MGT-8 etc.) by the Company to Secretarial Auditor and all entities in network firm/ entity, for the financial year ending 31 st March 2026 will be ₹ 2,40,000/- (Rupees Two Lakh and Forty Thousand only) plus applicable and other out-of-pocket expenses. These other services are 'permissible services' as per SEBI Circular SEBI/HO/CFD/CFD-PoD2/CIR/P/2024/185 dated 31 Dec 2024.
Rationale for proposed appointment and fees	Proposed appointment and the recommended fee are based on knowledge, expertise, industry experience, time and efforts required to be put in by them, which is in line with industry benchmark. Fees for services in nature of certifications and other professional work will be in addition to Secretarial Audit fee and will be determined by the Board based on recommendations of Audit Committee and in consultation with Secretarial Auditor. Above recommendations are based on fulfilment of eligibility criteria and qualification prescribed under the Act and rules made thereunder and SEBI Listing Regulations regarding full-time partners, secretarial audit, firm's experience, capability, independent assessment, audit experience and also based on evaluation of quality of audit work done by them in the past.

Members to note that M/s. Rao, Murthy & Associates, Cost Accountants, have provided their consent to act as Cost Auditor of the Company and confirmed that they are not disqualified to be appointed as Cost Auditor, and that this appointment would be within the prescribed limit under the Companies Act, 2013 (the "Act").

Proposed fee is based on scope of audit, knowledge, expertise, industry experience, time and resources deployed by Cost Auditor and is line with industry benchmark. Considering the above, Board believes that the proposed remuneration is fair and reasonable and does not impair independence and judgement of Cost Auditor. Accordingly, Board recommends resolution as set out in Item No. 5 of this Notice for members' approval as an ordinary resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in this resolution, except to the extent of their shareholding, if any.

Notice (Continued)

Terms of Appointment	For 5 (Five) consecutive years from FY 2025-26 to FY 2029-30.
Brief Profile	MMJC is a leading firm of Practicing Company Secretaries with over 25 years of excellence in Corporate Governance and Compliance. MMJC is widely recognized for its expertise in Secretarial Audits, Compliance Audits, and Due Diligence across sectors like Banking, Financial Services, IT/ Telecom, Pharmaceuticals, FMCG, and Infrastructure etc. The firm offers end-to-end advisory and compliance services under Corporate Laws, SEBI Regulations, FEMA Regulations, and Merger & Acquisitions. MMJC has developed specialized internal teams dedicated for Research & Development, Audit, M&A, quality review etc. As MMJC progresses on its journey into the future, it remains firmly dedicated to empowering its clients and maintaining the highest standards of corporate governance.

MMJC have provided their consent to act as Secretarial Auditor of the Company and confirmed that they are not disqualified to be appointed as Secretarial Auditor, and that this appointment (if approved) would be within the prescribed limited under the Act and rules made thereunder and SEBI Listing Regulations.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution except to the extent of their shareholding, if any, in the Company.

The Board of Directors of the Company recommends resolution set out at Item No. 6 for members’ approval as an Ordinary Resolution.

Item No. 7: Approval of remuneration payable to Mr. Pradeep Jain (DIN: 02110401), Executive Director and Chief Financial Officer of the Company for a period of two years

Mr. Pradeep Jain (aged 57 years) was appointed as the Chief Financial Officer of the Company and as a Key Managerial Personnel (KMP) as per section 203 of the Companies Act, 2013 (the “Act”) effective 1st October 2020. He joined the Company in 2017 as Executive Vice President – Financial Planning, Reporting & Commercial Finance.

Mr. Jain was appointed as a Whole Time Director designated as ‘Executive Director and Chief Financial Officer’ of the Company for a period of five years from 1st February 2023, to 31st January 2028. This appointment was approved by members of the Company through a special resolution passed through Postal Ballot on 20th April 2023. Mr. Jain attended 9 out of 10 Board Meetings held during FY 2024-25.

As on date of this notice, Mr. Jain is a member of the Stakeholder Relationship and General Committee and Risk Management Committee of the Company. He is also a member of Diageo’s Global Finance Leadership and Executive Committee of the Company. His responsibilities include overseeing Finance, Accounting, Treasury, Tax, Governance, Compliance, Investor Relations, Ventures and Company Secretarial function.

An experienced finance professional, Mr. Jain has spearheaded several organisation-wide transformation initiatives from sourcing to consumer fulfilment, while scaling ESG performance. A problem-solver, he has leveraged data-driven insights and a customer-centric approach to steer the organisation through complex business

environments. He is a staunch supporter of people agenda and has worked passionately to build varied capabilities within the finance team. He has been instrumental in establishing governance standards within the Company. Prior to joining Diageo, he held leadership positions across well-known organisations such as Eicher Motors, PepsiCo, and Pidilite Industries.

As an agile leader, with an outstanding track record of over 30 years across sectors, he has vast experience in general finance and strategic financial planning, treasury, controllership, optimal capital structuring and allocation, global organisation design and performance transformation. He has also played a pivotal role in leading and building large finance teams and honed their capabilities in pursuance of organisational strategies and future-proofing the organisation.

Mr. Jain qualified as Chartered Accountant from the Institute of Chartered Accountants of India, and is an alumnus of the Shri Ram College of Commerce, Delhi University.

At the time of initial appointment, the Company’s profits were inadequate as per section 198 read with schedule V of the Act. Accordingly, while he was appointed for a period of five years effective 1st February 2023, his remuneration was approved by members for a period of three years as per applicable law. Accordingly, members’ approval is now being sought for payment of remuneration for the remaining tenure of two years effective 1st February 2026. It may be noted that the Company now has adequate profits as per section 198 read with schedule V of the Act. Remuneration paid to Mr. Jain for FY25 ₹ 4,67,28,725/-. Further, his last drawn gross salary for June 2025 is ₹ 20,08,450/-.

Notice (Continued)

Mr. Jain has been with the Company for over eight years and has driven significant transformation and efficiency inter-alia resulting in improvement of operating margins. Company has wiped out its accumulated losses and has resumed dividend distribution after a long hiatus. He has driven significant engagement with investors, simplified legal entity footprint and improved overall control environment. He continues to invest in developing talent and has significantly enhanced the gender diversity within the finance function.

The increase in fixed pay will be commensurate with his performance and is expected to be in line with average increase payable to senior management employees within the Company and benchmarked to employees doing similar roles in the Company’s peer group organizations for his current role. The limit of ₹ 12 crore has been stated to inter-alia cover an eventuality of him being entitled to a maximum amount of Annual Incentive Plan (AIP), increase in Stock Appreciation Rights (SAR) pay out and other Long-Term Incentives (LTIs) pay out by Diageo group.

Remuneration to be paid to Mr. Jain will be approved by the Board of Directors of the Company (Board) from time to time, based on recommendation of the Nomination & Remuneration Committee (NRC) and in accordance with the rules and policies of the Company.

Additionally, NRC and Board at their meeting held on 5th September 2024 have respectively considered and approved (subject to approval of members) payment of a retention bonus not exceeding ₹ 2.41 crore in the form of a one-time discretionary incentive in July 2026, subject to a holistic performance assessment and continued employment with the Company (including within Diageo group).

It may be noted that SARs and LTIs are granted yearly but are vested after three years. As on the date of expiry of his term, he will be holding unvested SARs/ LTIs. It is proposed to seek an enabling approval for up to ₹ 7 crore towards appropriate payout on account of aforesaid instruments, subject to the recommendation of NRC and approval of Board. The limits of ₹ 7 crore herein will be excluding payment of retention bonus stated in the preceding paragraph.

As set out in the resolution, Mr. Jain will also be entitled to benefits/ allowances as per Company policy including benefits such as Royal Challengers Bengaluru (RCB) match tickets (pertaining to wholly owned subsidiary of the Company) and tax gross up towards its perquisite value.

The NRC and Board at their meetings held on 19th and 20th May 2025, respectively have considered this proposal and recommended/ approved remuneration proposed to be paid to Mr. Pradeep Jain, subject to members’ approval by way of an ordinary resolution.

In view of the background, qualification and experience of Mr. Jain, the Board of Directors considers continuation of his term and the proposed remuneration to be in the best interest of the Company and accordingly recommends Ordinary Resolution as set out in the resolution no. 7 of this notice for the approval of Members.

As at date of this notice, Mr. Pradeep Jain does not hold any shares of the Company and does not have any relationship with other Directors and Key Managerial Personnel of the Company.

Except Mr. Pradeep Jain, and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel (“KMP”) of the Company and their relatives are, in any way concerned or interested, financially or otherwise, in the Resolution set out at Item No. 7 of the Notice. None of the Directors and KMP of the Company are inter-se related to each other.

Item no. 8: Approval of Material Related Party Transactions

As per the provisions of section 188 of the Companies Act, 2013 (the “Act”), certain types of transactions with related parties which are undertaken on an arm’s length basis and in the ordinary course of business, are exempted from the obligation of obtaining prior approval of members. However, with effect from 1st April 2022, Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), mandates prior approval of the members through an ordinary resolution for all ‘material’ related party transactions. For this purpose, a transaction with a Related Party shall be considered ‘material’, if such transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed ₹ 1,000 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower. The Company had sought members’ approval for transactions with Diageo Brands B.V. Netherlands (“DBBV”) for Financial Year (“FY”) 2024-25 in the Annual General Meeting (AGM) 2024 for an aggregate amount not exceeding ₹ 1,266 crore (Rupees One Thousand Two Hundred and Sixty-Six crore only). During FY 2024-25, the aggregate amount of the transactions against the aforesaid approval were ₹ 1,017 crore. For FY 2024-25, the Company had sought members’ approval for ₹ 1,266 crore in anticipation of robust demand for Bottled in India (BII) and Bottled in Origin (BIO) brands in India. However, the Company has optimized the inventory holding level in terms of BII as well as BIO brands which led to significantly lower level of procurement of finished goods and bulk scotch from DBBV. In this process, it bolstered the Company’s efforts in savings of working capital. The Company based on the current demand trend has re-assessed the demand for FY 2025-26. The transactions with DBBV for FY 2025-26 are expected to cross the materiality threshold of ₹ 1,000 crore and hence proposal to seek members’ approval for ₹ 1,822 crore is being placed before the members.

Notice (Continued)

Detailed Background

The Company and DBBV are step-down subsidiaries of Diageo PLC, a global leader in beverage alcohol with an outstanding collection of brands. Over the last 9 years, the Company’s arrangements with DBBV have contributed to its premiumisation journey and in the process, has improved overall profitability of the Company.

The following categories of arrangements/ transactions with DBBV are being placed before members for their approval:

a. Import of Bottled in Origin Brands (BIO) for distribution in India market:

Pursuant to approval of members obtained on 9th January 2015, Company had entered into distribution agreement with various Diageo entities viz., (1) Diageo Scotland Limited; (2) Diageo Brands B.V.; (3) Diageo North America Inc.; (4) Justerini & Brooks Limited; (5) R & A Bailey & Co.; (6) Diageo Chateau & Estates Wine Company; and (7) Diageo Ireland. This is for distribution of Diageo’s BIO products such as Johnnie Walker, Tanqueray, Baileys, Talisker, Singleton and other products. These are finished products, majority of which are distilled, matured, and bottled in Scotland. Though agreement was executed for abovementioned 7 entities, import documentation and invoicing are routed through DBBV as it acts as a trade service provider to all Diageo entities for intercompany BIO procurements. This is practiced for simplification of process and providing one face to the buying entity. The arrangement covers both existing and future BIO brands. Company is also entitled to return/ re-export these BIO products to DBBV in the event of any business exigencies. The BIO portfolio of Diageo’s products enjoys immense brand equity worldwide including India with a rich legacy built over decades. The intellectual property over these products is owned by Diageo group and Company has the exclusive right to distribute the same in India. The approval of the members is being sought for procurement of Diageo’s BIO and other products pursuant to the existing agreement or any further agreements that may be executed in this regard from time to time.

Arm’s length basis:

In accordance with globally applicable transfer pricing principles, the Company earns a targeted operating margin from the arrangement. A periodic true up mechanism has been put in place to ensure adherence to above pricing principles. Hence, this arrangement is on an arms’ length basis.

Ordinary course of business:

The following factors were considered in concluding that the above RPT is in the ordinary course of business of the Company:

1. The transaction is covered in the objects clause of the Memorandum of Association (MOA) of the Company.
2. The transaction is in furtherance of the business of the Company.
3. The transaction is normal/ routine for the Company’s business.
4. The transaction is repetitive/ frequent.
5. The Company has historically been undertaking this transaction with DBBV from 2015 and members’ approval is being sought now since the value exceeds ₹ 1,000 Crore (i.e., this is a Material RPT).
6. The income pursuant to this RPT is considered as business income of the Company in its books of accounts.
7. Such transactions are common in the industry in which the Company operates.

b. Import of Bulk Scotch for bottling Diageo Brands in India (Bottled in India or BII brands):

Pursuant to members’ approval obtained on 9th January 2015, Company has been distributing Diageo’s BII brands such as VAT 69, Black & White and other products. As part of this arrangement, DBBV supplies bulk scotch to the Company who in turn bottles the same in India at its own/ leased/ third party’s manufacturing facility. The arrangement covers both existing and future BII brands. The BII portfolio of Diageo’s products enjoys immense brand equity worldwide including India with a rich legacy built over decades. The intellectual property over these products is owned by Diageo group and Company’s responsibility include bottling and distributing these products on an exclusive product. Company is also entitled to return/ re-export these BII to DBBV in the event of any business exigencies. The approval of the members in being sought for procurement of bulk scotch for manufacturing BII products in India under the existing arrangement or any further agreements that may be executed in this regard from time to time.

Arm’s length basis:

In accordance with globally applicable transfer pricing principles, the Company earns a targeted operating margin from this arrangement. A periodic true up mechanism has been put in place to ensure adherence to the above pricing principles. Hence, this arrangement is on an arm’s length basis.

Ordinary course of business:

The following factors were considered in concluding that the above RPT is in the ordinary course of business of the Company:

Notice (Continued)

1. The transaction is covered in the objects clause of the MOA of the Company.
2. The transaction is in furtherance of the business of the Company.
3. The transaction is normal / routine for the Company’s business.
4. The transaction is repetitive / frequent.
5. The Company has historically been undertaking this transaction with DBBV from 2015 and members approval is being sought now since the value exceeds ₹ 1,000 crore (i.e., this is a Material RPT).
6. The income pursuant to this RPT is considered as business income of the Company in its books of accounts.
7. Such transactions are common in the industry in which the Company operates.

c. Import of Bulk Scotch as a raw material to be used in the manufacture of the Company’s brands:

Company also manufactures and markets its own scotch whisky in India. These brands include all Company’s brands like Black Dog, Antiquity, Signature, Royal Challenge, and other products. As per the industry convention, a scotch needs to be matured for a minimum period of 3 years in Scotland. Accordingly, in 2017, Company has approved for procurement of bulk scotch from Diageo Scotland Limited for using in blends of prestige and above segment whisky portfolio. Though agreement was executed with Diageo Scotland Limited, import documentation and invoicing are routed through DBBV as it acts as a trade service provider to all Diageo entities for intercompany Bulk procurements. This is practiced for simplification of process and providing one face to the buying entity. Diageo as a global leader in scotch is able to provide supply security to the Company. The intellectual property over these products is owned by the Company. Company is also entitled to return/ re-export these bulk scotch to DBBV in the event of any business exigencies. The approval of the Company is being sought for procurement of bulk scotch from DBBV for using in blends of prestige and above segment whisky portfolio, under the existing agreement or any further agreements that may be executed in this regard from time to time.

Arm’s length basis

In accordance with globally applicable transfer pricing principles, DBBV sells the bulk scotch to Company at arm’s length price. A periodic true up mechanism has been put in place to ensure adherence to the above pricing principles. Hence, this arrangement is on an arm’s length basis.

Ordinary course of business

The following factors were considered in concluding that the above RPT is in the ordinary course of business of the Company:

1. The transaction is covered in the objects clause of the MOA of the Company.
2. The transaction is in furtherance of the business of the Company.
3. The transaction is normal / routine for the Company’s business.
4. The transaction is repetitive / frequent.
5. The Company has historically been undertaking this transaction with DBBV and members approval is being sought now since the value exceeds ₹ 1,000 crore (i.e., this is a Material RPT).
6. The income pursuant to this RPT is considered as business income of the Company in its books of account.
7. Such transactions are common in the industry in which the Company operates.

d. Availing/ rendering of any kind of service(s), or any other transaction(s) for transfer of resources, services or obligations, other reimbursements and royalty (“Residual RPTs”).

In addition to the above and as is the common practice within a multinational group, Company could either avail of services from/ render services to DBBV (or party to a number of intercompany service transactions).

The key service transaction categories include:

1. reimbursement/ recovery of expenses including for the following-
 - a) Additional clearance cost or delivery/ handling charges in respect of procurement.
 - b) Demurrage or detention charges of material.
 - c) Additional shipping cost or any other freight component.
 - d) Additional cost of disgorging, rework (due to improper stacking, packaging, re-packing, or loading, any other reasons).
 - e) Pertaining to availing/ rendering service from registered global vendors of Diageo Group, business shared services etc.
 - f) Other general cost (e.g., travel, award, rent, electricity, other facility cost etc.).

Notice (Continued)

2. Information system support services,
3. Share scheme cost recharges,
4. International assignee cost recharges,
5. Management or consultancy service,
6. Regional functions support and services, global procurement services,
7. Other back-office support service,
8. Royalty transactions with DBBV towards use of Brand Intellectual Property(ies) ("IP") or Trademark(s) in India, including right to sub-license the rights to third party.

As part of its routine business operations, Company may undertake either of these transactions with DBBV. These transactions are largely initiated based on the business requirements. Such arrangements help to realize economies of scale, cost savings, talent development etc. for constituents of a multinational group. Likewise, DBBV's brands enjoy immense goodwill globally including India and accordingly aforesaid royalty arrangements for adjacent product categories (mixer, tonic water, ginger ale etc.) and adjacent service categories (travel, tourism, leisure etc.) for India will help Company in driving further engagement with its consumer base. Aggregate of all transactions in this category are expected to be within a sum of ₹ 22 crore.

Arm’s length basis

In accordance with global transfer pricing policy, the service provider shall bill the service recipient the cost incurred for the service plus an arm’s length mark-up, wherever applicable. In relation to royalty arrangements described above, since the transactions provide economic or commercial value to the Company enhancing its commercial position, the transactions are meeting the benefit test and are at Arm’s length.

Ordinary course of business

Rendering of/ availing aforesaid services/ royalty arrangements from companies forming part of the same group is a common practice followed by multinationals. Such transactions are in furtherance of the business of the Company and are normal/ routine for the Company’s business. Company has been historically undertaking such transactions with DBBV. Hence, the arrangement is in the ordinary course of business.

Benefit to the Company from these RPTs

The quantum of the benefits realised by the Company from these RPTs is subject to multiple factors including market conditions, demand and supply, structural shifts in the Indian alcohol industry, seasonal variations, and other

external conditions. Distribution by the Company in India of such premium brands owned by Diageo has positively contributed to the premiumisation journey of the Company in line with the evolving Indian market’s strategic shift towards premium products. Such distribution has also contributed to absorption of fixed costs incurred by the Company by realising synergies including in areas of manufacturing, marketing, distribution, overheads etc. Further, these arrangements enable the Company to enhance its overall return on Invested Capital (ROIC) and an increase in Earnings Before Interest, Depreciation and Amortisation (EBITDA) per case.

In view of the compelling business rationale, Independent Directors are of the view that these RPTs are in the best interest of the Company.

The pricing arrangements between DBBV and the Company for the related party transactions are governed by internationally accepted transfer pricing methodology and are subject to regulatory scrutiny by tax authorities of both entities. The transactions have been confirmed as being undertaken at arm’s length by independent professionals and do not yield any undue benefit to either party.

The terms and conditions of the proposed RPTs are not unfavourable to the Company, when compared to the terms and conditions of similar transactions, entered into between two unrelated parties.

Given the above factors, the RPTs would benefit the Company as a whole and its members (including the minority shareholders) and there is no incremental benefit to the controlling shareholder or any other specific member of the Company.

Mechanism

The actual export/ dispatch of BIO, BII and bulk scotch is undertaken by Diageo Scotland Limited which acts as a Consignor since the products are manufactured in Scotland. Import documentation and invoicing for the above is done by Diageo Brands B. V. Netherlands (DBBV) which acts as a Seller to the Company (Consignee).

Historical members’ approval

Members of the Company had approved the agreement on 9th January 2015 between the Company and DBBV for the manufacture and distribution of Bottled in India (bulk) products under licence from DBBV in India and the distribution agreement with, inter alia, Diageo Brands B.V., Diageo North America, Inc. and Diageo Scotland Limited for the distribution of bottled in origin products (manufactured by or on behalf of the relevant Diageo brand owner company) in India. The

Notice (Continued)

Company had sought members’ approval for transactions with DBBV for FY 2024-25 for an aggregate amount not exceeding ₹ 1,266 crore (Rupees One Thousand Two Hundred Sixty-Six crore only). During FY 2024-25, the aggregate amount of the transactions was ₹ 1,017 crore. Members’ approval is now being sought since the value of transactions with DBBV are expected to exceed ₹ 1,000 crore during the FY 2025-26.

Other related party transactions with Diageo group

In addition to the above RPTs, as a good corporate governance practice, members are being informed that the Company also undertakes other related party transactions with Diageo group entities. All such arrangements are undertaken on an arm’s length basis and in the ordinary course of business. Since such transactions are not likely to exceed the relevant thresholds, no separate approval of members is being sought. The aggregate value of such transactions did not exceed ₹ 80 crore during FY 2024-25.

Additionally, as separately disclosed by the Company under Regulation 30 of the Listing Regulations, Diageo Scotland Limited and the Company have entered into a letter agreement under which Diageo Scotland Limited will fully reimburse the Company for (a) Company’s voluntary payments of the additional customs duty and interest attributable to a shortfall in the price charged for certain supplies of bulk scotch used in the manufacture of the Company’s brands from October 2019 up to the end of July 2025 due to unintended omissions in costing and invoicing process by Diageo Scotland Limited

and (b) related costs and expenses. While such transaction is on arm’s length terms, it is not in the ordinary course of business but is still beneficial for the Company. The value of the transactions under such letter agreement, together with other transactions between the Company and Diageo Scotland Limited, is currently expected to not exceed INR 160 crore during FY 2025-26.

The value of RPTs with DBBV for the period commencing from 1st April 2025 till the date of this Notice has not exceeded the threshold of ₹ 1,000 crore and the Company will ensure that the same does not exceed the said threshold up to the date of the 26th AGM, i.e., Friday, 29th August 2025.

The RPTs carried out with DBBV will be placed before the Audit Committee on a quarterly basis for noting.

Process for dealing with related party transactions

The Company has in place a structured process for approvals with respect to RPTs. As per the process, necessary details of the related party transactions (irrespective of the materiality threshold) along with justifications are provided to the Audit Committee which enables it to arrive at the right decision.

The Audit Committee, after reviewing necessary information provided in the below table, has granted its approval for the above mentioned RPTs. It has noted that the said RPTs are on an arm’s length basis and have been undertaken in the ordinary course of business.

Relevant information as required under Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended and SEBI circular vide. SEBI/HO/CFD/PoD2/CIR/P/0155 dated 11th November 2024, is given below:

#	Particulars	Details
1	Name of Related Party	Diageo Brands B. V., Netherlands
2	Nature of Relationship with the Company	Fellow Subsidiary Diageo Relay B.V., Netherlands, holds 55.88% in the Company and does not hold any shares in DBBV. However, Diageo PLC is the ultimate holding company of DBBV and the Company.
3	Name of the director or key managerial personnel who is related, if any	Not applicable
4	Type, material terms and particulars of proposed transaction	I) BIO: a) The Company will import and distribute, inter-alia, the following BIO products within India (not limited to Johnnie Walker and related variants, J&B, Ciroc, Baileys, Lagavulin, Tanqueray, Talisker and others. b) The Company will abide by confidentiality, non-compete and protection of Intellectual Property (IP) obligations. c) A credit period of 120 days is provided from the date of shipment to settle the payment for the goods.

Notice (Continued)

#	Particulars	Details
		II) BII (for manufacturing Diageo Brands): a) The Company will manufacture and distribute VAT 69, Black & White and other Diageo brands within India: b) The Company will abide by the confidentiality, non-compete and protection of intellectual property obligations. c) A credit period of 120 days is provided from the date of shipment to settle the payment for the goods.
		III) Bulk Scotch (for manufacturing the Company’s brands): a) The Company shall obtain all necessary licenses or other requisite documents and shall pay applicable customs, duties, and taxes to purchase and import the Spirit. b) Risk of damage to or loss of Spirit shall pass to the Company when such Spirit has been delivered in accordance with the agreement. c) A credit period of 120 days is provided from the date of shipment to settle the payment for the goods.
		IV) Rendering/ Availing services, reimbursements, recoveries and royalty - Reimbursement/ recovery of expenses including for the following- a) Additional clearance cost or delivery/ handling charges in respect to procurement. b) Additional shipping cost or any other freight component. c) Additional cost of disgorging, rework (due to improper stacking, packaging, re-packing, or loading, any other reason. d) Demurrage or detention charges of material. e) Pertaining to availing/ rendering service from registered global vendors of Diageo Group, business shared services, f) Other general cost (e.g., travel, award, rent, electricity, other facility cost etc.) - Information system support services, - Share scheme cost recharges, - International assignee cost recharges, - Management or consultancy service - Regional functions support and services, global procurement services, - Other back-office support services. - Royalty payment to DBBV for the use of the Brand IP or Trademark, including right to sub-license.

Notice (Continued)

#	Particulars	Details
		As part of the arrangement, DBBV will provide right to use such Trademarks/ IPs to the Company including a right to sub-license against an agreed royalty payment within the defined framework. Company can get these products manufactured at third parties and either market/ distribute itself or franchise such brands to a third party who will undertake manufacturing/ marketing distribution of these products. Similarly, these Trademarks and Brand IPs will also enable Company to enter into collaboration/tie-ups for services including in the areas of travel /hospitality/ leisure etc.
5	Tenure of proposed transaction	For FY 2025-26
6	Value of proposed transaction	Upto ₹ 1,822 crore
7	Any advance paid or received for the contract or arrangement, if any;	Not applicable
8	Percentage of Company’s annual consolidated turnover for immediately preceding financial year that is represented by value of proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary’s annual turnover on a standalone basis shall be additionally provided);	7.0%
9	Percentage of counter-party’s annual consolidated turnover that is represented by value of proposed RPTs on a voluntary basis	6.7%
10	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary: i. Details of source of funds in connection with proposed transaction. ii. where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments - nature of indebtedness; - cost of funds; and - tenure; iii. applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and iv. Purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	Not applicable
11	Justification as to why the RPT is in the interest of the Company	As per rationale provided in para above.
12	Details about valuation, arm’s length and ordinary course of business	As explained elsewhere in this Explanatory Statement, the RPTs satisfy the arm’s length principle and meet the test of being in the ordinary course of business.

#	Particulars	Details
13	Valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction	Company has obtained report from Ernst & Young LLP confirming that the above arrangement satisfies the principle of arm’s length and ordinary course of business. Link: https://www.diageoindia.com/~media/Files/D/Diageo-V2/Diageo-India/investors/financials/results-reports-and-presentations/report-on-rpt-with-dbbv-2025.pdf
14	Any other information relevant or important for the shareholders to take an informed decision	None

None of the Directors or Key Managerial Personnel of the Company or their respective relatives, are concerned or interested in this resolution. Diageo Relay B.V., Netherlands, holds 55.88% in the Company and does not hold any shares in DBBV. However, Diageo PLC is the ultimate holding company of DBBV and the Company.

The said transaction(s) have been recommended by Audit Committee and the Board of Directors of the Company for consideration and approval by members as an ordinary resolution.

Members to note that limits proposed above are based on estimates and shall not be used to project future profits of the Company.

It is pertinent to note that no related party of the Company shall vote to approve this resolution whether the entity is a related party to the particular transaction or not.

The counterparty to this related party transaction is a fellow subsidiary of the Company and not a member who is entitled to vote and hence, there is no conflict. The Members may note that in terms of the provisions of the SEBI Listing Regulations, the related parties as defined thereunder (whether such related party(ies) is a party to the aforesaid transactions or not), shall not vote to approve resolutions under Item No. 8.

Notice (Continued)

Annexure 1

Agenda Item 4

Disclosure pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standards on General Meetings



Name of Director	Mr. Mark Dominic Sandys
Director Identification Number (DIN)	09543864
Age	50 years
Date of first appointment on Board	1 st April 2022 Re-appointed on 31 st Jul 2023 at the 24 th Annual General Meeting of the Company.
Expertise	Marketing
Experience	27 years

Brief Resume

Mr. Mark Sandys has worked at Diageo for over 27 years, beginning as a graduate trainee.

He first joined Diageo in 1997 as a graduate trainee and worked for his first five years in sales and marketing roles on the Guinness brand in Great Britain, before managing the Gin portfolio in the UK and then taking the position of Strategy & Innovation Director for the Baileys Global Brand team in Dublin.

In July 2022, Mr. Mark Sandys was appointed Chief Innovation Officer for Diageo, responsible for the full portfolio of brands worldwide, and for all of Diageo’s R&D, sustainability and digital innovation.

His role is to lead shaping the future of Diageo, and of the drinks industry, by creating brands, platforms and variants that meet consumer needs of the future. Prior to this role, he was the Global Head of Beer, Baileys, Smirnoff & Captain Morgan from 2014 to 2022. In this role he was accountable for all of Diageo’s beer businesses worldwide, and some of the largest and most loved spirits brands in the world. Before then, Mr. Mark Sandys was the Category Director, Whisky & Reserve, for Diageo Asia Pacific based in Singapore, and the Marketing Director for Diageo Russia and Eastern Europe, based in Moscow.

Mr. Mark Sandys was a member of the Board of Guinness Nigeria PLC from August 2017 to January 2023.

He is a graduate of Oxford University and became a Fellow of the Marketing Academy in 2018.

Qualification	Graduate from Oxford University
Terms and conditions of appointment/ re-appointment	He is a director nominated by Diageo Relay B.V., holding company and does not receive any remuneration from the Company and accordingly he was not paid any remuneration ever since he became a director.
Last Drawn Remuneration Details along with remuneration sought to be paid	Mr. Mark Sandys does not receive any sitting fees, commission or stock options from the Company. He is entitled to draw expenses incurred for travelling/ boarding to participate in Board/ Committee meetings and other Company related work, in his capacity as Non-Executive Director of the Company.

Notice (Continued)

No. of Board meetings attended	7 out 10 meetings
Directorships details	Listed Public Companies: NIL
	Public Companies: NIL
	Foreign Companies: NIL
	List of other Indian Directorships held along with listed entities from which the person has resigned in the past three years: NIL
Memberships/ Chairmanships of committees of other companies (excluding foreign companies)	Member: Corporate Social Responsibility & Environmental, Social and Governance Committee of United Spirits Limited
	Chairperson: NIL
Number of Equity Shares held in the Company (including shareholding as a beneficial owner)	NIL
Inter-se relationship with other Directors and Key Managerial Personnel of the Company	Not related to any directors of the Company

Notice (Continued)

Annexure 2

INSTRUCTIONS FOR MEMBERS FOR VOTING ELECTRONICALLY

1) Information and instructions for remote e-voting by individual demat members:

In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December 2020, on e-voting facility provided by Listed Companies, Individual demat members are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and email ID in their demat accounts in order to access e-voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-voting and joining virtual meetings for **Individual demat members (CDSL/ NSDL)** is given below:

Type of members	Login Method
Individual demat members holding securities with CDSL	1. Users who have opted for CDSL Easi/ Easiest facility, can login through their existing user ID and password. Option will be made available to reach e-voting page without any further authentication. URL for users to login to Easi/ Easiest are https://web.cdslindia.com/myeasitoken/Home/Login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.
	2. After successful login the Easi/ Easiest, user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, user will be able to see e-voting page of e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting. Additionally, there is also links provided to access the system of all e-voting service providers i.e., CDSL/ NSDL/ Kfintech/ Linkintime, so that the user can visit the e-voting service providers’ website directly.
	3. If the user is not registered for Easi/ Easiest, option to register is available at CDSL website at www.cdslindia.com and click on login and My Easi New (Token) Tab and then click on registration option.
	4. Alternatively, user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin . The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see e-voting option where e-voting is in progress and also able to directly access the system of all e-voting service providers.
Individual members holding securities with NSDL	1) If you are already registered for NSDL IDeAS facility, kindly visit e-services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on “Access to e-voting” under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.
	2) If user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com . Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
	3) Visit e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section. A new screen will open. You will have to enter your User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/ OTP and a Verification Code as shown on the screen.

Notice (Continued)

Type of members	Login Method
	After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.
	4) For OTP based login, you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp . You will have to enter your 8-digit DP ID, 8-digit Client ID, PAN No., Verification code and generate OTP. Enter OTP received on registered email ID/ mobile number and click on login.
	After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.
Individual members (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-voting facility. After Successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use ‘Forget User ID’ and ‘Forget Password’ options available at abovementioned website.

2) Helpdesk for Individual demat members for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual demat members with CDSL	Contact CDSL helpdesk by sending a request at helpdesk.evoting@cdsl.com or contact at Toll-free no. 1800 21 09911.
Individual demat members holding securities with NSDL	Contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at Toll-free no.: +91 22 4886 7000 or 2499 7000

3) Login method for e-voting and joining virtual meetings for members holding shares in Physical mode and non-individual members holding shares in demat mode.

- a) Members to log on to e-voting website www.evotingindia.com.
- b) Click on “Shareholders” module.
- c) Now enter your User ID:

o For CDSL: 16 digits beneficiary ID,

- o For NSDL: 8 Character DP ID followed by 8 digits Client ID,
- o Physical members should enter Folio Number registered with the Company.
- d) Next enter the Image Verification as displayed and Click on Login.
- e) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- f) If you are a first-time user follow the steps given below:

For non-individual members holding shares in Demat form and members holding shares in Physical form.	
PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both members holding shares in demat and physical mode) Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/ RTA or contact Company/ RTA.

Notice (Continued)

For non-individual members holding shares in Demat form and members holding shares in Physical form.	
Dividend Bank	Enter Dividend Bank Details or Date of Birth (in DD/MM/YYYY format) as recorded in Details OR your demat account or in the company Date of records in order to login.
Birth (DOB)	If both details are not recorded with the Depository or Company, kindly enter member ID/ Folio number in Dividend Bank details field.

- g) After entering these details appropriately, click on “SUBMIT” tab.
- h) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- i) For members holding shares in physical form, details can be used only for e-voting on the resolutions contained in this Notice.
- j) Click on the EVSN for the Company.
- k) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- l) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire resolution details.
- m) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

- n) Once you “CONFIRM” your vote on resolution, you will not be allowed to modify your vote.
- o) You can also take a print of the votes cast by clicking on “Click here to print” option on the voting page.
- p) If a demat account holder has forgotten the login password, then Enter User ID and the image verification code and click on Forgot Password and enter details as prompted by the system.
- q) There is also an optional provision to upload BR/ POA, if any uploaded, which will be made available to scrutinizer for verification.
- r) **Additional Facility for Non-Individual members and Custodians – For Remote Voting only.**
 - Non-Individual members (i.e., other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - Scanned copy of registration form bearing stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving login details, a Compliance User should be created using the admin login and password. Compliance User would be able to link the account(s) for which they wish to vote on.
 - List of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is mandatory that, a scanned copy of Board Resolution and Power of Attorney (POA) which they have issued in favour of Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively, Non-Individual members are mandatorily required to send relevant Board Resolution/ Authority letter etc. together with attested specimen signature of duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; sudhir.compsec@gmail.com or investor.india@diageo.com respectively (Designated email address of the Company) , if they have voted from individual tab & not uploaded same in CDSL e-voting system for the scrutinizer to verify the same.

Notice (Continued)

PROCESS FOR THOSE MEMBERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.

- 1) **For Physical members:** Kindly provide necessary details like Folio No., members name, scanned copy of share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to the Company/ RTA email ID.
- 2) **For Demat members:** Kindly update your email ID & mobile no. with your respective Depository Participant (DP).
- 3) **For Individual Demat members:** Kindly update your email ID & mobile no. with your respective Depository Participant (DP) which is mandatory while e-voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-voting from CDSL e-Voting System, you may write an email to helpdesk.evoting@cdslindia.com or contact at Toll-Free no. 1800 21 09911.

All grievances connected with facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited (CDSL), A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400 013, Maharashtra, India, or send an email to helpdesk.evoting@cdslindia.com or call on 1800 21 09911.

INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/ OAVM & E-VOTING DURING AGM

1. Procedure for attending AGM & e-voting on the day of AGM is same as instructions mentioned above for remote e-voting.

2. Link for VC/ OAVM to attend AGM will be available where EVSN of the Company will be displayed after successful login as per instructions mentioned above for e-voting.
3. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. Members are encouraged to join the AGM through Laptop/ iPad for better experience.
5. Further, members will be required to allow camera and use internet with a good speed to avoid any disturbance during the AGM.
6. Kindly note that participants connecting from mobile devices/ tablets/ laptops connecting via mobile hotspot may experience audio/ video loss due to fluctuation in their respective network. Accordingly, it is recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Only those members who have registered themselves as a speaker will be allowed to express their views/ ask questions during the AGM.
8. Only those members present at the AGM through VC/ OAVM facility and have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
9. If any votes are cast by members through e-voting available during AGM and if the said member has not participated in the AGM through VC/ OAVM facility, then such votes cast shall be considered invalid as the facility of e-voting during the AGM is available only to the members attending the AGM.

Board’s Report

Dear Members,

Your directors are pleased to present the 26th Board’s Report of your Company and the audited financial statements for the year ended 31st March 2025.

Particulars	Standalone		Consolidated	
	2024-25	2023-24	2024-25	2023-24
The performance of your Company for the year is as under				
Revenue from operations	26,780	25,389	27,276	26,018
Other income	426	335	336	225
Total income	27,206	25,724	27,612	26,243
Total expenses	25,085	24,021	25,405	24,368
Share of net loss of joint ventures	-	-	(7)	(1)
Profit before exceptional items and tax	2,121	1,703	2,200	1,874
Exceptional items, net	(65)	(17)	(65)	(17)
Profit before tax	2,056	1,686	2,135	1,857
Total tax expense	498	374	553	449
Profit for the year	1,558	1,312	1,582	1,408
Other comprehensive income for the year, net of tax	(2)	(2)	0	(3)
Total comprehensive income for the year	1,556	1,310	1,582	1,405
EPS - Basic & diluted (₹)	21.42	18.04	22.28	19.83

During the current year, Revenue from operations increased by 5.5% on standalone basis and 4.8% on consolidated basis. Profit after tax has increased by 18.8% on standalone basis and 12.4% on consolidated basis. The challenges which United Spirits Limited (‘USL’ / ‘Company’) faced during the year and the environment in which the Company operates have been detailed in the Management Discussion and Analysis Report which is forming part of this Integrated Annual Report (‘Report’).

Board’s Report (Continued)

1. Performance of the Company

During the year under review, your Company’s sales volume was 64 million cases resulting in an increase of 4.1% compared to previous year.

Net sales/income from operations (net of excise duties and taxes) of your Company increased by 8.2% in the financial year ended 31st March 2025 which stood at ₹ 11,573 crore (previous year ₹ 10,692 crore). With continuous focus on premiumization, overall Prestige & Above segment represented 83% of total volumes (vs 82% in the previous year) and 89% of total net sales (vs 87% in the previous year) during the financial year ended 31st March 2025. The Prestige and Above segment’s net sales were up by 9.9% with strong double-digit growth across the higher value sub-segments. The Popular segment represented 17% (vs 18% in the previous year) of total volumes and 10% (vs 10% in the previous year) of total net sales during the financial year ended 31st March 2025.

2. Material changes and commitments / events subsequent to the date of the financial statements

There have been no material changes and commitments, affecting the financial position of the Company that have occurred between the close of the financial year 2024-25, to which the Financial Statements relate and the date of this Report.

3. Change in nature of business, if any

The Company did not undergo any change in the nature of its business during the financial year. The details of the nature of business are provided in the Management Discussion and Analysis Report and the Report on Risk Management forming part of this Report.

4. Dividend

The Board of Directors of the Company have recommended payment of ₹ 8 per equity share (face value ₹ 2/- each) as final dividend for the financial year 2024-25. The record date for payment of final dividend is 1st August 2025. The final dividend, subject to the approval of the shareholders at the ensuing Annual General Meeting (“AGM”) of the Company, will be paid on or after 4th September 2025. During the year under review, the Company has also paid an interim dividend of ₹ 4 per equity share of (face value ₹ 2/- each) for the financial year 2024-25 to the shareholders on 21st April 2025. The Company has announced a total dividend of ₹ 12 per equity share for the financial year 2024-25. This would translate into payout ratio of 56%.

As per the Income-Tax Act, 1961, dividends paid or distributed by the Company shall be taxable in the hands of the shareholders. Accordingly, the Company makes the payment of the dividend after deduction of tax at source (“TDS”).

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, (‘Listing Regulations’) the Board of Directors of the Company (the ‘Board’) has adopted a dividend Distribution Policy (the ‘Policy’) which is made available on website of the Company at <https://www.diageoindia.com/~media/Files/D/Diageo-V2/Diageo-India/investors/shareholder-centre/policies/2023/dividend-policy.pdf>

5. Transfer to reserves

During the year under review, there was no amount transferred to the general reserves of the Company.

6. Capital

There is no change in the capital during the financial year 2024-25.

7. Details of subsidiaries, associates and joint venture companies and their financial position

The performance of subsidiaries, associate company and joint venture companies and their contribution to the overall performance of the Company is covered as part of the consolidated financial statements. The salient features of the financial statements of the subsidiary, associate and joint venture company(s) is appended in form AOC-1 to this Report as Annexure-1. Out of nine subsidiary companies, eight subsidiary companies were non-operative.

- I. Royal Challengers Sports Private Limited (RCSPL), a wholly owned subsidiary of your Company, reported a revenue from operations of ₹ 504 crore during the financial year which has declined by 21%, primarily on account of lower number of Men’s Indian Premier League (IPL) matches played by Royal Challengers Bengaluru (RCB). During the financial year, RCSPL reported a profit of ₹ 140 crore against ₹ 222 crore in the previous financial year, primarily on account of lower number of Men’s IPL matches. During the year, RCSPL had declared and paid an interim dividend of ₹ 120 crore.
- II. The Board of Directors at their meeting held on 4th April 2024, approved the investment in Inspired Hospitality Private Limited (“Pistola”) by subscribing to 3,494 Compulsory Convertible Preference Shares (“CCPS”) and 10 equity shares of Pistola equivalent to 15% of its

Board’s Report (Continued)

issued and paid-up share capital on a fully diluted basis for an aggregate consideration of ₹ 5.65 crore. The aforesaid transaction was completed on 9th May 2024. The Management has considered Pistola to be a joint venture.

- III. The Board of Directors at their meeting held on 23rd July 2024, approved the investment in V9 Beverages Private Limited (“Sober”) by subscribing to 1,972 CCPS and 10 equity shares of Sober equivalent to 15% of its issued and paid-up share capital on a fully diluted basis for an aggregate consideration of ₹ 2.29 crore. The aforesaid transaction was completed on 26th September 2024. The Management has considered Sober to be a joint venture.
- IV. The Board of Directors at their meeting held on 23rd July 2024, approved the investment in Indie Brews and Spirits Private Limited (“Quaffine”) by subscribing to 4,016 CCPS and 10 equity shares of Quaffine equivalent to 25% of its issued and paid-up share capital on a fully diluted basis for an aggregate consideration of ₹ 5 crore. The aforesaid transaction was completed on 27th September 2024. The Management has considered Quaffine to be a joint venture.
- V. During the financial year, your Company granted secured loan of ₹ 18 crore to Nao Spirits & Beverages Private Limited (“Nao Spirits”). Your Company holds 30% ownership interest on a fully diluted basis as on 31st March 2025.

The Company’s policy for determining material subsidiaries is available at the Company’s website at <https://www.diageoindia.com/~media/Files/D/Diageo-V2/Diageo-India/investors/shareholder-centre/policies/2025/policy-for-determining-material-subsiidiaries.pdf>

In accordance with the third proviso to section 136(1) of the Companies Act, 2013 (‘the Act’), the Integrated Annual Report and financial statements of each of the subsidiary companies have also been placed on the website of the Company at <https://www.diageoindia.com/en/investors/subsidiaries-financial>.

8. Prospects/Outlook

The details about prospects/outlook of your Company are provided under the Management Discussion and Analysis Report, forming part of this Report.

9. Board meetings, Board of Directors, Key Managerial Personnel & Committees of Directors:

A. Resignations and retirements

Independent Directors

- (i) Mr. Rajiv Gupta, resigned as an Independent Director of the Company with effect from close of business hours on 31st July 2024. He served as an Independent Director of the Company for close to 10 years and as part of the planned transition with appointment of new Independent Directors, he stepped down as an Independent Director.
- (ii) Mr. D Sivanandhan resigned as an Independent Director with effect from close of business hours on 31st July 2024. He served as an Independent Director for over 11 years and as part of the planned transition with appointment of new Independent Directors, he stepped down as an Independent Director.
- (iii) Dr. Indu Shahani ceased to be an Independent Director upon completion of her second term from end of business hours on 29th September 2024. She served a decade as an Independent Director and completed two terms as an Independent Director of the Company.
- (iv) Mr. M K Sharma ceased to be Chairperson & Independent Director of the Company upon completion of his second term from end of business hours on 31st March 2025. He served a decade as an Independent Director of the Company and completed two terms as an Independent Director of the Company.

Non-Executive Directors

- (i) Ms. Mamta Sundara, resigned as a Non-Executive Non-Independent Director of the Company with effect from end of business hours on 30th September 2024 consequent to her resignation from the employment of Diageo group.
- (ii) Ms. Emily Kathryn Gibson, resigned as a Non-Executive Non-Independent Director of the Company with effect from end of business hours on 31st October 2024 consequent to her resignation from the employment of Diageo group.

Board’s Report (Continued)

Executive Directors

Ms. Hina Nagarajan resigned as (i) Director (ii) Managing Director and (iii) Chief Executive Officer of the Company with effect from end of day 31st March 2025 consequent to her taking up a new role within the Diageo group. Accordingly, she ceased to be a Key Managerial Personnel from the aforesaid date.

B. Appointment of Directors

Independent Director

On the basis of recommendation of Nomination and Remuneration Committee, the Board had considered and approved the appointment of Ms. Amrita Gangotra as an Independent Director of the Company for a term of five years with effect from 1st September 2024. The approval of the shareholders was received at the Annual General Meeting held on 31st July 2024. Ms. Gangotra is an award-winning technology leader and entrepreneur with global experience driving digital transformation in telecom, IT services and FMCG sectors and brings deep expertise in technology strategy, innovation, and enterprise transformation.

Non-Executive Director

On the basis of recommendation of Nomination and Remuneration Committee, the Board had considered and approved the appointment of Ms. Preeti Arora as a Non-Executive and Non-Independent Director of the Company with effect from 1st October 2024. The approval of the shareholders was received by means of postal ballot on 18th December 2024. Ms. Arora is a seasoned senior executive with 25 years of experience and currently serves as Managing Director for Diageo’s South-East Asia business. She is known for delivering strong business results and she has also led across both developed and emerging markets, focusing on strategic resourcing and execution excellence.

Executive Director

Mr. Praveen Someshwar was appointed as (i) Additional Director (ii) Managing Director (iii) Chief Executive Officer and (iv) Key Managerial Personnel of the Company with effect from 1st April 2025. Mr. Someshwar is a dynamic business leader with over three decades of experience in driving transformation, strategy, and execution within the media and FMCG industries. He is recognized as a passionate leader committed to driving change and has a proven track record in business transformation and development across multiple markets. In view of the background, qualification and experience of

the appointee, the Board of Directors considers his appointment to be in the best interest of the Company and the Company has sought approval of the members through postal ballot.

Consequent to the retirement of Mr. M K Sharma, Mr. V K Viswanathan has been appointed as the Chairperson of Board and of the Company with effect from 1st April 2025. He is already serving as an Independent Director of the Company since 2016. In view of the background, qualification and his rich experience, the Board of Directors considers his role as Chairperson to be in the best interest of the Company.

The Board wishes to place on record its deep appreciation to Mr. M K Sharma and Ms. Hina Nagarajan for providing an exemplary leadership, guidance and leading the Board and the Company towards progress with the highest standards of integrity. The Board also places on record the valuable contribution made by Dr. Indu Shahani, Mr. D Sivanandhan, Mr. Rajeev Gupta, Ms. Mamta Sundara and Ms. Emily Kate Gibson during their association with the Company. The brief profiles of Directors are available on the Company’s website at <https://www.diageoindia.com/en/investors/board-of-directors>

C. Re-appointment of Director

As per the provisions of the Act, Mr. Mark Dominic Sandys retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offered himself for re-appointment. Based on the recommendation of the Nomination and Remuneration Committee, the Board recommends his reappointment. Members may please note that Mr. Mark Dominic Sandys, was appointed as a Non-Executive Director on 1st April 2022. He is not debarred from holding the directorship under any statutory regulations.

D. Independent Directors

Criteria for selection/ appointment or re-appointment of Independent Directors include skills, expertise, qualifications, experience and domain knowledge of the Director. The required skills of Independent Directors are Operating leadership experience/ Entrepreneurship, FMCG/Regulated Industry expertise, Corporate governance and Risk Management, Financial Management, ESG, Digital and Technology and Public affairs and policy. Matrix setting out the core Skills / Expertise/ Competence of the Board of Directors forms part of Corporate Governance Report. In the opinion of

Board’s Report (Continued)

the Board, the Independent Directors appointed during the year possess requisite integrity, expertise, experience and proficiency, the details of which are provided in the Corporate Governance Report which is forming part of this Integrated Annual Report.

E. Declaration by Independent Directors

All Independent Directors have given a declaration pursuant to sub-section (6) of section 149 of the Act. In the opinion of the Board, Independent Directors fulfil the conditions specified in Listing Regulations and are independent of the management. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

F. Number of meetings of the Board

The details of the Board Meetings and other Committee Meetings held during the financial year 2024-25 are stated in the Corporate Governance Report which is forming part of this Integrated Annual Report.

G. Board Committees

The Board has constituted the following Committees :

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility and Environmental, Social and Governance Committee
- Risk Management Committee
- Stakeholders Relationship and General Committee
- Committee of Directors

The composition of each of the above Committees, their respective roles and responsibilities are provided in the Corporate Governance Report which forms part of this Integrated Annual Report.

H. Policies

The Company has adopted all policies as required under the provisions of the Act, and the Listing Regulations. The same are uploaded on the website of the Company at <https://www.diageoindia.com/en/investors/shareholder-centre/policies>

During the year, the Nomination and remuneration policy was modified inter-alia to incorporate the statutory amendments and the same was approved by the Board. The Policy is made available on website of the Company at <https://www.diageoindia.com/~media/Files/D/Diageo-V2/Diageo-India/investors/shareholder-centre/policies/2025/nomination-and-remuneration-policy.pdf>

The salient feature of revised policy is definition of Senior Management Personnel widened to include persons identified and designated as KMP, other than Board of Directors.

I. Recommendations of the Audit Committee and other committees

All the recommendations of the Audit Committee and of the other committees were accepted by the Board.

J. Details of remuneration to Directors

As required under section 197 of the Act, information relating to remuneration paid to Directors during the financial year 2024-25 is provided in the Corporate Governance Report.

As stated in the Corporate Governance Report, sitting fees is paid to the Independent Directors for attending Board/Committee meetings. They are also entitled to reimbursement of actual travel expenses, boarding and lodging, conveyance and incidental expenses incurred in attending such meetings. In addition, the Independent Directors are also eligible for commission every year as may be recommended by the Nomination and Remuneration Committee and approved by the Board within the overall limit of ₹ 4 crore or 1% of the net profits of the Company calculated in accordance with section 198 of the Act, whichever is lower. The approval of the members was sought at the 25th Annual General Meeting held on 31st July 2024. Criteria for payment of remuneration to Independent Directors are as given below:

- i. Membership of Committees
- ii. Chairpersonship of the Committees/Board
- iii. Benchmarking with other companies

The Board of Directors have approved payment of commission of ₹ 2,50,70,000 to eight Independent

Board’s Report (Continued)

Directors (including pro-rata commission to Independent Directors who were appointed/resigned/retired during the year) after applying the criteria stated above for the financial year 2024-25. The details of remuneration to directors forms part of corporate governance report of this Integrated Annual Report.

The criteria for payment of remuneration to executive directors is determined by the Nomination and Remuneration Committee based on various parameters. The Company’s policy on Directors’ appointment and remuneration is available on the Company’s website at <https://www.diageoindia.com/~media/Files/D/Diageo-V2/Diageo-India/investors/shareholder-centre/policies/2025/nomination-and-remuneration-policy.pdf>

Board evaluation criteria

Pursuant to the provisions of the Act and regulation 17 of the Listing Regulations, the Board has carried out an annual performance evaluation, based on parameters which, inter alia, include performance of the Board on deciding strategy, rating the composition & mix of board members, discharging of their duties, handling critical issues, contribution made at the Board meeting, attendance, instances of sharing information on best practices applied in other industries, domain knowledge, vision, strategy and engagement with senior management etc.

The Independent Directors at their separate meetings, reviewed the performance of non-independent directors and the Board as a whole, Chairperson of the Company (after taking into account the views of executive directors and non-executive directors) reviewed the quality, quantity and timeliness of flow of information between the management and the Board, for the Board to effectively and reasonably perform their duties. Based on the outcome of the performance evaluation exercise, areas have been identified for the Board to engage itself with and the same would be acted upon.

The details of the evaluation process are set out in the Corporate Governance Report which forms part of this Integrated Annual Report.

K. Meeting amongst Independent Directors

Schedule IV of the Act, Listing Regulations and Secretarial Standard - 1 on Meetings of the Board of Directors mandates that the Independent Directors of the

Company hold at least one meeting in a financial year, without the attendance of Non-Independent Directors.

The Independent Directors met amongst themselves without the presence of any other persons quarterly on 23rd May 2024, 22nd July 2024, 22nd October 2024 and 22nd January 2025.

10. Vigil Mechanism

Your Company has established whistle-blower mechanism known as SpeakUp, which is being independently operated by an independent agency. We encourage our employees or representatives acting on behalf of the Company, to raise the concerns through this mechanism, apart from other internal reporting channels viz. Line Manager, HR Business Partner, Legal Business Partner and Business Integrity partner.

The SpeakUp channel is available on the Company’s website at <https://www.diageoindia.com/en/about-us/corporate-governance/speak-up> with services available in English and 5 other regional languages, and compliance concerns can be raised by any aggrieved person through web page or toll-free number.

The quality of investigation reports and remedial actions are reviewed and monitored by the Global Business Integrity team and Diageo India Business Integrity team. The decision on sanctions on the reported breaches are determined and monitored by a Compliance Committee for significant breaches and the Grievance Committee for other breaches, ensuring there is a collective, transparent and an unbiased decision-making process and that consistent action is undertaken in a timely manner to resolve the identified breaches.

A structured Breach Management Standard is in place which is in line with the Global Standard, for timely and conclusive resolution of compliance concerns raised through the whistle blower mechanism.

This vigil mechanism has been established to provide adequate safeguards against the victimization of employees, who avail this mechanism for reporting complaints and grievances in good faith and without fear of being punished for doing so. Access to the Chairperson of the Audit Committee is provided as required under the Act and the Listing Regulations.

11. Related party transactions

The Company’s policy on dealing with related party transactions was adopted by the Board on 15th June 2015 and further amended from time to time. This policy is available on the Company’s website at <https://www.diageoindia.com/~media/Files/D/Diageo-V2/Diageo-India/investors/shareholder-centre/policies/2025/policy-on-related-party-transactions.pdf>

Board’s Report (Continued)

[com/~media/Files/D/Diageo-V2/Diageo-India/investors/shareholder-centre/policies/2025/policy-on-related-party-transactions.pdf](https://www.diageoindia.com/~media/Files/D/Diageo-V2/Diageo-India/investors/shareholder-centre/policies/2025/policy-on-related-party-transactions.pdf)

The disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Act in Form AOC-2 pursuant to section 134(3)(h) of Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out in the Annexure-2 to this Report.

All related party transactions that were entered into during the financial year 2024-25, were at arm’s length basis and were in the ordinary course of business except loan to one of the associate company as further detailed at Point 7 of Board’s Report and are provided at note no. 45 and 46 of Standalone Financial statements. There were no material related party transactions entered into by the Company with promoters, directors, key managerial personnel or other designated persons which may have a conflict of interest with the Company at large. Pursuant to Listing Regulations, the resolution for seeking approval of the members on material related party transaction(s) is being placed at the 26th AGM of the Company.

12. Auditors and Audit Reports

i) Financial audit

M/s. Price Waterhouse & Co. Chartered Accountants LLP (FRN 304026E/E-300009) Statutory Auditors of your Company, were re-appointed for a second term of five years as Auditors of your Company from the conclusion of the 22nd AGM held on 26th August 2021 till the conclusion of 27th AGM of the Company required under section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014.

The Statutory Auditors have given unqualified opinion on the financial statements for the financial year ended 31st March 2025.

ii) Secretarial Audit

Pursuant to section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit has been carried out by Mr. Sudhir V Hulyalkar, Practicing Company Secretary (FCS: 6040 and CP No. 6137) and his report is annexed as Annexure-3.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer.

In addition, pursuant to Regulation 24A of the Listing Regulations, the Secretarial Compliance Report for

the financial year ended 31st March 2025, in relation to compliance of all applicable SEBI Regulations/circulars/guidelines issued thereunder, is annexed as Annexure-3A. The Secretarial Compliance Report has been voluntarily disclosed as part of this Report as good governance practice. The said report has been submitted to the stock exchanges and is also available on the Company’s website at <https://www.diageoindia.com/en/investors/shareholder-centre/notice-board>

The Board of Directors of the Company has approved appointment of M/s. Makarand M. Joshi & Co, (‘MMJC’) Practicing Company Secretary (Firm Registration No. P2009MH007000; Peer Review Certificate No. 6290/2024) as the Secretarial Auditor of the Company for the tenure of five consecutive years from 1st April 2025 till 31st March 2030 subject to approval of shareholders at the ensuing AGM. MMJC has confirmed that they are not disqualified to be appointed as a Secretarial Auditor and are eligible to hold office as Secretarial Auditor of your Company.

(iii) Cost audit

The Company is maintaining requisite cost records for its applicable products. M/s. Rao, Murthy & Associates, were appointed as cost auditors for the applicable products of the Company for the financial year 2024-25. The Company is required to submit the report to the Central Government within 180 days from the end of the financial year.

13. Reporting of fraud by Auditors

During the year under review, neither the statutory auditor nor the secretarial auditor have reported to the Audit Committee or the Board, under section 143(12) of Act, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in this Report.

14. Corporate governance

A Corporate Governance Report for the year under review is annexed separately which forms part of this Integrated Annual Report. Board confirms compliance with the mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

15. Management discussion and analysis report

The Management Discussion and Analysis Report for the year under review is annexed separately which forms part of this Integrated Annual Report.

Board’s Report (Continued)

16. Fixed deposits

During the year the Company has not accepted any fixed deposits, including from public and no amount of principal or interest is outstanding and due to be transferred to Investor Education and Protection Fund (IEPF).

17. Annual return

In accordance with section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, a draft annual return in e-form MGT-7 for financial year 2024-25 has been uploaded on Company’s website at <https://www.diageoindia.com/~media/Files/D/Diageo-V2/Diageo-India/investors/financials/results-reports-and-presentations/draft-annual-return-2024-25.pdf>

Members may also note that the annual return uploaded on the website is a draft and the final annual return will be uploaded after the same is filed with the Ministry of Corporate Affairs (‘MCA’).

18. Transfer to Investor Education and Protection Fund (IEPF)

No unclaimed dividend and shares were required to be transferred to IEPF during the year ended 31st March 2025 pursuant to section 124 of the Act.

19. Human resources

Employee relations remained cordial at all the locations of the Company. Particulars of employees drawing an aggregate remuneration of ₹ 1,02,00,000/- or above per annum or ₹ 8,50,000/- or above per month, as well as additional information on employee remuneration as required under the provisions of rule 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as part of this Report in Annexure-4 hereto.

20. Employees stock option scheme

Your Company has not offered any stock options to its employees during the financial year 2024-25 within the meaning of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

21. Particulars of loans, guarantees and investments

Loans, guarantees and investments covered under section 186 of the Act are detailed in Notes to the financial statements

under note 45 of the Standalone Financial Statements for the year ended 31st March 2025.

Further, the details of loans, guarantee and investments in the subsidiaries, associates and joint venture of Company is covered and disclosed under Point 7 of Board’s report.

22. Risk management

Details on Risk Management is annexed as Annexure-5 to this Report.

23. Internal financial controls

During the year, the Governance, Risk and Controls (GRC) team undertook a comprehensive assessment of the Company’s internal controls, covering both SOX and non-SOX areas. Additional attributes were incorporated where necessary to enhance robustness and ensure alignment with global benchmarks. These controls were tested by both management testers and statutory auditors, who confirmed their effectiveness and alignment. The Board reviewed the outcomes of the control assessments, along with confirmations from external auditors, and evaluated the effectiveness of the Company’s internal financial controls. This included adherence to policies, safeguarding of assets, fraud prevention, and the accuracy and timeliness of financial reporting. The Board concluded that the internal controls are adequate, operating effectively, and commensurate with the size and complexity of the Company’s operations. The statutory auditors’ opinion on internal financial controls forms part of the audit report, and a corresponding statement is disclosed in the Directors’ Responsibility Statement.

24. Corporate social responsibility

Information on the composition of the Corporate Social Responsibility and Environmental, Social and Governance Committee (CSR & ESG) is provided in the Corporate Governance Report that forms part of this Integrated Annual Report. Furthermore, as required by section 135 of the Act and the rules made thereunder, additional information on the policy and implementation of CSR activities by your Company during the year are provided in Annexure-6 to this Report.

25. Conservation of energy, technology absorption, foreign exchange earnings and outgo

The particulars prescribed under section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, are set out in Annexure-7 to this Report.

Board’s Report (Continued)

26. Details of significant and material orders passed by the regulators or courts impacting the going concern status and Company’s operations in future pursuant to Rule 8(5)(vii) of Companies (Accounts) Rules, 2014

The Company has not received any significant or material order passed by regulators or courts or tribunals impacting the Company’s going concern status or the Company’s operations in future.

27. Disclosure as required under section 22 of Sexual Harassment of Women at Workplace (prevention, prohibition and redressal) Act, 2013

As per requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (SHWWA), the Company has designed and implemented a comprehensive policy and framework to promote a safe and secure work environment, where every person at the workplace is treated with dignity and respect. Moreover, the Company’s policy is inclusive and gender neutral. Further, the complaint redressal mechanism detailed in the policy ensures complete anonymity and confidentiality to the parties.

Internal Committees (IC) have been constituted and each Internal Committee has appointed members who are employees of the Company and an independent external member, having extensive experience in the field. The Internal Committees meet on a half yearly basis to discuss matters on policy awareness, best practices, judicial trends, etc. During the year, Internal Committees have also been trained on nuances of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Internal Committees’ role is to consider and resolve the complaints reported on sexual harassment at workplace. Investigation is conducted and decisions are made by the Internal Committees at the respective location, and a senior woman employee is the presiding officer on every case.

- i) Number of complaints filed during the financial year: 2 (Two) complaints received
- ii) Number of complaints disposed off during the financial year: 01 (One)
- iii) Number of complaints pending as on end of the financial year: 01 (One) [The enquiry is underway]

To build awareness in this area, the Company has been publishing newsletters, emailers, posters, conducting online training modules and monthly induction training for newly

joined employees. Besides the refresher, virtual training programs are conducted in the organization on a continuous basis for employees (including blue collared employees), consultants, contractual employees and permanent/contractual workers in regional languages. The Internal Committee has also conducted informal sessions to check the pulse at the grassroot levels.

28. Business Responsibility and Sustainability Report (BRSR)

The Business Responsibility and Sustainability Report (BRSR) for the year under review has been prepared in compliance with the Listing Regulations and is included in this report on page 255, along with a reasonable assurance report on the BRSR Core KPIs issued by M/s Price Waterhouse & Co. Chartered Accountants LLP, the Company’s Statutory Auditors.

29. Other Disclosures

- a. The Company has not issued equity shares with differential rights as to dividend, voting or otherwise.
- b. The Company has not issued any sweat equity shares to its directors or employees.
- c. No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable.
- d. The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.
- e. There are no deposits accepted by Company which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

30. Directors’ responsibility report

Pursuant to section 134 (5) of the Act in relation to financial statements (together with the notes to such financial statements) for the financial year 2024-25, the Board of Directors report that:

- (i) in the preparation of the annual accounts for the financial year 2024-25, the applicable accounting standards have been followed and there is no material departure;

Board’s Report (Continued)

- (ii)

the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2025 and of the profit of the Company for year ended on that date;
- (iii)

the Directors have taken proper and sufficient care for the 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 fraud and other irregularities;
- (iv)

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

the Directors have laid down internal financial controls to be followed by the Company commensurate with the size and nature of its business and the complexity of its operations and that such internal financial controls are adequate and are operating effectively.

- (vi)

the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws by implementing an automated process having comprehensive systems and securing reports of statutory compliances periodically from the functional units and that such systems are adequate and are operating effectively.

The Board of Directors place on record sincere gratitude and appreciation to all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year.

The Board conveys its appreciation for its customers, shareholders, suppliers as well as vendors, bankers, business associates, regulatory and government authorities for their continued support.

By Order of the Board

V K Viswanathan
Chairperson
DIN: 01782934

Place: Bengaluru
Date: 20th May 2025

Annexure-1

Details of Subsidiaries, Associates and Joint Ventures
Form AOC - 1

(Pursuant to the provisions of section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014 Statement containing as on 31st March 2025 salient features of the financial statement of subsidiaries/associate companies/joint ventures)

Part A: Subsidiaries

Sl. No.	Name of the Subsidiary	Date since when subsidiary was acquired	Currency	Closing exchange rate	Average exchange rate	Share capital	Reserves & surplus	Total assets	Total liabilities	Investments	Turnover	Profit/(loss) before taxation	Provision for taxation	Profit/(loss) after taxation	Total comprehensive income	Proposed dividend	% of share holding	Country
1	Asian Opportunities & Investments Limited (AOIL)	26 Dec 2002	USD	85.54	84.92	43	(136)	1	(94)	-	-	(1)	-	(1)	(1)	-	100	Mauritius
2	Palmer Investment Group Limited (PIG)	26 Mar 2009	USD	85.54	84.92	128	(69)	59	(0)	-	-	55	-	55	55	-	100	British Virgin Islands
3	Shaw Wallace Overseas Limited (SWOL)	28 Sept 2015	GBP	110.71	108.87	4	(2)	2	(0)	-	-	(0)	0	(0)	(0)	-	100	U.K.
4	USL Holdings Limited (UHL)	7 Feb 2007	USD	85.54	84.92	6,558	(7,275)	3	(721)	0	-	(0)	-	(0)	(0)	-	100	British Virgin Islands
5	USL Holdings (UK) Limited (UHUKL)	26 Feb 2007	GBP	110.71	108.87	0	(7,288)	0	(7,288)	0	-	186*	-	186*	186*	-	100	U.K.
6	United Spirits (UK) Limited (USUKL)	26 Feb 2007	GBP	110.71	108.87	0	(2,913)	0	(2,913)	0	-	(0)	-	(0)	(0)	-	100	U.K.
7	United Spirits (Great Britain) Limited (USGBL)	26 Feb 2007	GBP	110.71	108.87	0	(2,910)	0	(2,910)	-	-	(0)	-	(0)	(0)	-	100	U.K.
8	McDowell & Co. (Scotland) Limited (MSL)	5 Oct 2006	GBP	110.71	108.87	17	(3)	15	(0)	-	-	0	-	0	0	-	100	Scotland, U.K.
9	Royal Challengers Sports Private Limited (RCSPL)	11 Mar 2008	INR	-	-	0	321	640	(319)	-	504	188	48	140	140	-	100	India

Notes:

1 Closing exchange rate is applied for share capital, reserves and surplus, total assets, total liabilities and investments. Average exchange rate is applied for turnover, profit / (loss) before taxation, profit / (loss) after taxation, total comprehensive income, and proposed dividend. All amounts are in INR crore except % of shareholding and exchange rate.

2 All the subsidiaries have 31st March 2025 as their financial year end.

3 Names of subsidiaries which are yet to commence operations: Nil.

*The profit is on account of forex gain on Inter-Company loan which gets eliminated at group level.

Annexure-1 (Continued)

Part B: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl No.	Name of Associates or Joint Ventures	Nao Spirits & Beverages Private Limited - Joint Venture
1	Latest audited Balance Sheet Date	31/03/2024
2	Date on which the Associate or Joint Venture was associated or acquired	29/04/2022
3	Shares of Associate or Joint Ventures held by the company on the year end	
	Number of Equity shares	4,670
	Number of Compulsory Convertible Preference Shares	14,172
	Amount of Investment in Joint Venture (₹ in crore)	46
	Extent of Holding (in percentage) *	30%
4	Description of how there is significant influence	Joint control over operating and financing activities
5	Reason why the associate/Joint venture is not consolidated.	Not Applicable
6	Net worth attributable to shareholding as per latest audited Balance Sheet (₹ in crore)	2
7	Profit or Loss for the year	
	i. Considered in Consolidation ** (₹ in crore)	(6)
	ii. Not Considered in Consolidation (₹ in crore)	(14)

Notes:

* 30% on a fully diluted basis

** Represents Group's share of loss

- 1Names of associates or joint ventures which are yet to commence operations - Nil
- 2Names of associates or joint ventures which have been liquidated or sold during the year - Nil

Annexure-1 (Continued)

Part B: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl No.	Name of Associates or Joint Ventures	Inspired Hospitality Private Limited - Joint Venture
1	Latest audited Balance Sheet Date	31/03/2024
2	Date on which the Joint Venture was associated or acquired	04/04/2024
3	Shares of Associate or Joint Ventures held by the company on the year end	
	Number of Equity shares	10
	Number of Compulsory Convertible Preference Shares	3,494
	Amount of Investment in Joint Venture (₹ in crore)	6
	Extent of Holding (in percentage) *	15%
4	Description of how there is significant influence	Joint control over operating and financing activities
5	Reason why the Joint venture is not consolidated.	Not Applicable
6	Net worth attributable to shareholding as per latest audited Balance Sheet (₹ in crore)	9
7	Profit or Loss for the year	
	i. Considered in consolidation ** (₹ in crore)	(1)
	ii. Not Considered in Consolidation (₹ in crore)	(4)

Notes:

* 15% on a fully diluted basis

** Represents Group's share of loss

Annexure-1 (Continued)

Part B: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl No.	Name of Associates or Joint Ventures	V9 Beverages Private Limited - Joint Venture
1	Latest audited Balance Sheet Date	31/03/2024
2	Date on which the Associate or Joint Venture was associated or acquired	26/09/2024
3	Shares of Associate or Joint Ventures held by the company on the year end	
	Number of Equity shares	10
	Number of Compulsory Convertible Preference Shares	1,972
	Amount of Investment in Joint Venture (₹ in crore)	2
	Extent of Holding (in percentage) *	15%
4	Description of how there is significant influence	Joint control over operating and financing activities
5	Reason why the associate/Joint venture is not consolidated.	Not Applicable
6	Net worth attributable to shareholding as per latest audited Balance Sheet (₹ in crore)	(4)
7	Profit or Loss for the year	
	i. Considered in Consolidation ** (₹ in crore)	(0)
	ii. Not Considered in Consolidation (₹ in crore)	(1)

Notes:

* 15% on a fully diluted basis

** Represents Group's share of loss

Annexure-1 (Continued)

Part B: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl No.	Name of Associates or Joint Ventures	Indie Brews and Spirits Private Limited - Joint Venture
1	Latest audited Balance Sheet Date	31/03/2024
2	Date on which the Associate or Joint Venture was associated or acquired	27/09/2024
3	Shares of Associate or Joint Ventures held by the company on the year end	
	Number of Equity shares	10
	Number of Compulsory Convertible Preference Shares	4,016
	Amount of Investment in Joint Venture (₹ in crore)	5
	Extent of Holding (in percentage) *	25%
4	Description of how there is significant influence	Joint control over operating and financing activities
5	Reason why the associate/Joint venture is not consolidated.	Not Applicable
6	Net worth attributable to shareholding as per latest audited Balance Sheet (₹ in crore)	(0)
7	Profit or Loss for the year	
	i. Considered in Consolidation ** (₹ in crore)	(0)
	ii. Not Considered in Consolidation (₹ in crore)	(1)

Notes:

* 25% on a fully diluted basis

** Represents Group's share of loss

V K Viswanathan
Chairperson
DIN: 01782934

Praveen Someshwar
Managing Director & Chief Executive Officer
DIN: 01802656

Pradeep Jain
Executive Director & Chief Financial Officer
DIN : 02110401

Mital Sanghvi
Company Secretary

Annexure-2

Related Party Transactions
FORM AOC - 2

(Pursuant to section 134(3)(h) of the Companies Act, 2013 and rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered by the Company with related parties referred to in section 188(1) of the Companies Act, 2013 including certain arm’s length transactions under the fourth proviso thereto.

- a) Details of Contracts or transactions not at arm’s length basis: There are no contracts or arrangements or transactions that were not at arm’s length basis for the year ended 31st March 2025.
- b) Details of Material Contracts or transactions at arm’s length basis: There are no material contracts or arrangements or transactions at arm’s length basis and in the ordinary course of business for the year ended 31st March 2025.

Date: 20th May 2025
Place: Bengaluru

By Order of the Board
V K Viswanathan
Chairperson
DIN: 01782934

Annexure-3

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH 2025

[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 Spirits Limited
Bengaluru

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by United Spirits Limited (CIN: L01551KA1999PLC024991) (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 31st March 2025, 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 Spirits Limited (“the Company”) for the financial year ended on 31st March 2025, according to the provisions of:

- i. The Companies Act, 2013, (the Act) and the rules made thereunder;
- ii. Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. 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 Act');

(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);

Annexure-3 (Continued)

- (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);
- (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.

Laws specifically applicable to the Company as identified by the Company:

(a)

Various State Excise Laws relating to alcohol and related industry;

(b)

Food Safety and Standards Act, 2006 and Rules and Regulations made thereunder;
- vii.

All other Labour, Employee and Industrial or factory and environmental Laws to the extent of necessary permissions, licenses, compliance and control mechanisms as applicable to the Company;

I have also examined compliance with the applicable clauses of 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 as mentioned above wherever applicable.

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. Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with provisions of the Act.

Adequate notices were given to all Directors to schedule the Board meetings. Agenda and detailed note on agenda were sent at least seven days in advance and with necessary compliance wherever sent at shorter period and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions were carried through majority and recorded in the minutes and there were no dissenting views.

I further report that there are adequate systems and processes in the Company commensurate with size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

I further report that during the audit period there were no events / actions took place having major bearing on the Company’s affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

Place: Bengaluru
Date: 20th May 2025

SUDHIR VISHNUPANT HULYALKAR
Company Secretary in Practice
FCS No.: 6040 CP No.: 6137
Peer Review Certificate No.6166/2024
UDIN: F006040G000387113

Annexure-3 (Continued)

Annexure to Secretarial Audit Report (Auditors Responsibility)

To,
United Spirits Limited
Bengaluru

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.

Place: Bengaluru
Date: 20th May 2025

SUDHIR VISHNUPANT HULYALKAR
Company Secretary in Practice
FCS No.: 6040 CP No.: 6137
Peer Review Certificate No.6166/2024
UDIN: F006040G000387113

Annexure-3A

SECRETARIAL COMPLIANCE REPORT OF UNITED SPIRITS LIMITED FOR THE YEAR ENDED 31st MARCH 2025

I, Sudhir Vishnupant Hulyalkar, Company Secretary in practice have examined:

- (a) all the documents and records made available to us and explanation provided by **United Spirits Limited** ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this Report.

for the year ended 31st March 2025 ("Review Period") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include: -

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (No instances for compliance requirements during the year);
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (No instances for compliance requirements during the year);
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (No instances for compliance requirements during the year);
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (No instances for compliance requirements during the year);
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (h) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (No instances for compliance requirements during the year);
- (i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (j) other regulations as applicable.

and circulars/ guidelines issued thereunder.

and based on the above examination, I hereby report that, during the Review period:

Annexure-3A (Continued)

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below: -

Sr. No.	Compliance Requirement (Regulations /Circulars / Guidelines Including specific clause)	Regulation /Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Listed entity Secretary	Management Response	Remarks
					Advisory/ Clarification/ Fine/ Show Cause Notice/ Warning, etc.					
N.A.										

- (b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations/ Remarks of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31 st March 2024 (the years are to be mentioned)	Compliance Requirement (Regulations/circulars/ guidelines including specific clause)	Details of violation / deviations and actions taken / penalty imposed, if any, on the listed entity	Remedial actions, if any, taken by the listed entity	Comments of the PCS on the actions taken by the listed entity
N.A.- No observations in the previous report						

- (c) I/we hereby report that, during the Review Period the compliance status of the listed entity with the following requirements:

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations/ Remarks by PCS*
1.	Secretarial Standards:		
	The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI).	Yes	None
2.	Adoption and timely updation of the Policies:		
	All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities.	Yes	None
	All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/circulars/guidelines issued by SEBI.	Yes	None
3.	Maintenance and disclosures on Website:		
	The Listed entity is maintaining a functional website	Yes	None
	Timely dissemination of the documents/ information under a separate section on the website	Yes	None
	Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website	Yes	None
4.	Disqualification of Director:		
	None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013	Yes	None

Annexure-3A (Continued)

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations/ Remarks by PCS*
5.	Details related to Subsidiaries of listed entities:		
(a)	Identification of material subsidiary companies	N.A.	The Listed entity does not have material subsidiaries.
(b)	Requirements with respect to disclosure of material as well as other subsidiaries	Yes	None
6.	Preservation of Documents:		
	The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under the SEBI LODR Regulations, 2015	Yes	None
7.	Performance Evaluation:		
	The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations.	Yes	None
8.	Related Party Transactions:		
(a)	The listed entity has obtained prior approval of Audit Committee for all Related party transactions	Yes	None
(b)	In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit committee.	N.A.	None
9.	Disclosure of events or information:		
	The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of the LODR Regulations within the time limits prescribed thereunder.	Yes	None
10.	Prohibition of Insider Trading:		
	The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	None
11.	Actions taken by SEBI or Stock Exchange(s), if any:		
	No actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder (or)	No	None
	The actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges are specified in the last column.	No	None
12.	Resignation of Statutory Auditors from the listed entity or its material subsidiaries:		
	In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and / or its material subsidiary(ies) has / have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities.	NA	No resignation of Statutory Auditor during the review period

Annexure-3A (Continued)

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations/ Remarks by PCS*
13.	No additional non-compliances observed:		
	No additional non-compliance observed for any of the SEBI regulation/ circular/guidance note etc. except as reported above.	No	None

We further, report that the listed entity is in compliance/ not in compliance with the disclosure requirements of Employee Benefit scheme Documents in terms of regulation 46(2) (za) of the LODR Regulations. - N.A

Place: Bengaluru
Date: 20th May 2025

SUDHIR VISHNUPANT HULYALKAR
Company Secretary in Practice
FCS No.: 6040 CP No.: 6137
Peer Review Certificate No.6166/2024
UDIN: F006040G000387135

Assumptions & Limitation of scope and Review:

- Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
- Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
- We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
- This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

Place: Bengaluru
Date: 20th May 2025

SUDHIR VISHNUPANT HULYALKAR
Company Secretary in Practice
FCS No.: 6040 CP No.: 6137
Peer Review Certificate No.6166/2024
UDIN: F006040G000387135

Annexure-4

Employee Details

Details of Ratio of Remuneration of Directors and Key Managerial Personnel (KMP)

[Section 197(12) of the Companies Act, 2013 r/w Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Sr. No.	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;	Name of the Directors/KMP	Designation	Ratio to the Median	Percentage Increase
i)	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Ms. Hina Nagarajan	Managing Director & Chief Executive Officer	341	119%*
		Mr. Pradeep Jain	Executive Director & Chief Financial Officer	52	13%
		Mr. Mital Sanghvi	Vice President - Treasury and Company Secretary	22	13%
		Mr. Mahendra Kumar Sharma	Non-Executive Independent Chairperson	7.1	13% [§]
		Mr. V K Viswanathan	Independent Non-Executive Director	7.1	13% [§]
		Mr. D Sivanandhan	Independent Non-Executive Director	2.1	N.A. [®]
		Dr. Indu Shahani	Independent Non-Executive Director	3.1	N.A. [®]
		Mr. Rajeev Gupta	Independent Non-Executive Director	2.1	N.A. [®]
		Mr. Mukesh Hari Butani	Independent Non-Executive Director	6.1	N.A. [®]
		Dr. Indu Bhushan	Independent Non-Executive Director	6.1	N.A. [®]
		Ms. Amrita Gangotra	Independent Non-Executive Director	N.A. [#]	N.A. [#]
*The increase in remuneration is due to pay-out of performance-based SAR and final settlement during financial year closure as part of the international movement.					
[§] For Non-executive Directors, change in percentage denotes change in remuneration (including commission and sitting fees) and for the period of their Directorship during the year.					
[®] The percentage increase /decrease in remuneration is not applicable for the Directors appointed/cease to be member of the Board during the year/ previous year.					
[#] Ms. Amrita Gangotra was appointed during the year. Accordingly, the percentage increase /decrease in remuneration and ratio of remuneration to median remuneration is not applicable.					
(ii)	The percentage increase in the median remuneration of employees in the financial year	The average increase in median remuneration of employees in the Financial Year 2024-25 compared to the median remuneration of employees in the previous year is 21.73%.			
(iii)	The number of permanent employees on the rolls of Company;	The Company had a permanent headcount of 2,420 on the rolls as of 31 st March 2025.			
(iv)	Average percentile increase already made in the salaries of employees other than the key managerial personnel in financial year and its comparison with the percentile increase in the key managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The change in the average remuneration of employees other than the key managerial personnel in the current financial year compared to the last financial year was 14.5% while the change in the key managerial average remuneration was 87.30%. The increase in the average remuneration of key managerial personnel was due to pay-out of performance-based SAR. and final settlement during financial year as part of the international movement of MD & CEO.			
(v)	Affirmation that the remuneration paid is as per the remuneration and policy of the Company	The remuneration paid is as per the remuneration and reward policy of the Company.			

By Order of the Board

V K Vishwanathan
Chairperson
DIN: 01782934

Place: Bengaluru
Date : 20th May 2025

Annexure-4 (Continued)

Information as required under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Board’s Report for the financial year 2024-25.

A. Employee for full year

Sr. No.	Employee Name	Age (as on 31 March 2025)	No of Shares held	Remuneration	Designation & nature of duties	Qualification	Experience	Date of commencement employment	Particulars of previous employment
1	Amitabh Pande	48	-	23,567,626	EVP - Strategy, Consumer Planning & Digital Transformation	B.A / PGDM	24	9 Aug 2021	Head, Marketing - IKEA India
2	Anchal Kaushal	46	-	15,401,596	Vice President - Customer Marketing	B.com, MBA	22	4 Apr 2019	Associate Director, Marketing - Jagajit Industries limited
3	Arbab Bhowmick	49	360	12,289,104	Vice President - Sales	Marketing Management, PGDM	26	23 Mar 1999	Sales Representative - Stallion Products Pvt Ltd
4	Arvind Bangalore Sainath	45	-	12,196,961	Senior General Manager - Consumer Planning & Insights	B.E, PGD in Software Enterprise	23	7 Dec 2017	Head, Marketing Analytics - AVA Ecnometric Services
5	AshishParikh	48	-	30,681,780	Executive Vice President and Chief Operating Officer - North and West	MBA from SVKM's Narsee Monjee Institute of Management Studies (NMIMS)	24	12 Dec 2022	Global Omnichannel and Category Development Director - Reckitt Benckise
6	Ashok Arora	47	50	14,831,901	Vice President - Supply Finance	Chartered Accountant	24	2 Nov 2004	Finance manager - Greenfield online PVT LTD
7	Bhanu Gupta	44	-	16,925,712	Vice President - Luxury and Super Premium	B.E, MBA	20	1 Apr 2024	Reliance Infocomm Limited - SVP & Business Head
8	Bimal Kumar Mishra	48	-	10,556,119	Senior General Manager - Manufacturing	MBA, M.Tech, B.E	25	27 Aug 2020	Carlsberg India Pvt. Ltd - Senior General Manager - Operations (Brewery Head)
9	Chitra Gupta	44	-	12,676,563	Vice President - Human Resources	B.Com, MA	21	12 Feb 2024	Head of HR, Supply Chain - Coca Cola
10	Diwaker Vij	42	-	13,889,929	Vice President - Commercial Finance	CA	18	16 Apr 2019	Division Finance Controller, Thermo Fisher Scientific
11	Gowri Advani	45	-	16,300,315	Vice President - Senior Counsel Legal	LLB, B.S.L	13	8 May 2017	Legal Consultant - Diageo India Pvt Ltd
12	Himanshu Maloo	46	50	14,461,464	Vice President - Supply Chain Planning & Move	PGD Industrial Engineering	23	23 Nov 2023	Chief Supply Chain Officer - DFM Foods
13	Hina Nagarajan	60		303,907,646	Managing Director and Chief Executive Officer	Master's degree in Business Management - IIM	35	1 Apr 2021	MD Africa Emerging Markets (Diageo)
14	Hiren Dedhia	40	-	10,323,808	Senior General Manager - Head Design	Graphic Design, BFA Applied Arts	18	2 Jan 2020	Landor - Design Director
15	Jagbir Singh Sidhu	54	-	40,259,397	Chief Commercial Officer	MBA, Punjab University	29	5 Jul 2017	Pernod Ricard
16	Jitendra Mahajan	55	-	78,599,837	Chief Supply and Sustainability Officer	B.E. Mechanical / MBA	30	22 Apr 2022	COO (Chief operating officer) Supply Chain - Marico Limited
17	Jyoti Bhat	48	-	11,139,239	Senior General Manager - Product Science & Brand Change Commercialization	MSC, PGD in Public health	12	11 Sep 2020	Director, Product Innovation & Education - Herbalife Nutrition
18	Karan Garg	42	-	13,993,391	Senior General Manager - Sales Effectiveness	MBA	21	31 May 2017	Godrej Consumer Products Limited

Annexure-4 (Continued)

Sr. No.	Employee Name	Age (as on 31 March 2025)	No of Shares held	Remuneration	Designation & nature of duties	Qualification	Experience	Date of commencement employment	Particulars of previous employment
19	Kashinath Jha	56	-	19,209,016	Vice President - Manufacturing	BE	32	6 Sep 2016	Reckitt Benckiser
20	Kaushik Kanjilal	49	-	11,199,760	Senior General Manager - Sales	Diploma in Marketing and Sales (NIS) & Diploma in Mechanical	28	5 Sep 2006	Mason & Summers - Marketing Manager
21	Kuldeep Agrawal	49	-	15,203,235	Senior General Manager - Research and Development	Phd in Food Technology	21	16 Aug 2012	Centre In Charge - Centre of Food Technology
22	Mahaveer Chand Jain	45	-	11,534,846	Vice President & Head - Internal Audit	CA	21	22 Aug 2022	Head of Governance, Global Finance Risk management and Controls, GSK
23	Manish Seth	51	-	23,768,431	Chief Operating Officer - Commercial	MBA	28	1 Sep 2023	Zonal Head North - Pernod India
24	Mital Sanghvi	46	-	19,377,082	Vice President - Treasury and Company Secretary	B.Com, ACS, FCCA and ACA	23	9 Dec 2019	Provenance Land Private Limited
25	Monish Bhasin	50	-	13,706,765	Vice President- Sales	MBA / B.E	28	25 Sep 2006	Senior Brand Manager - Mahindra and Mahindra
26	Nimish Shah	50	-	34,462,890	Executive Vice President and Financial Controller	Chartered Accountant	27	9 Sep 2021	APAC Regional Controller - The Walt Disney Company
27	Nipun Mohanka	41	-	14,112,520	Vice President - Taxation	B.Com, CA	20	5 Mar 2024	Loreal india Pvt Ltd - Head Taxation
28	Pankaj Satyanarayan Panchariya	50	-	12,381,021	Vice President - Sales	B.Com, PGDM	28	21 Nov 2021	Region Head (AGM) - Pernod Ricard
29	Pankaj Umesh Kapoor	46	-	14,363,446	Vice president - Quality & Transformation	MMS	21	4 Sep 2023	Vice President, Digital - TCPL
30	Pradeep K	47	50	15,354,065	Vice President - Human Resources	BA LLB, PGDM & IR, MSW	22	1 Dec 2023	HRBP Director - Madura Coats
31	Pradeep Jain	56		46,728,725	Executive Director & Chief Financial Officer	B.Com, CA	31	4 Apr 2017	CFO - Pidilite Industries
32	Rajesh Vijayan Menon	47	-	21,030,547	Chief Operating Officer - RCB	B.com, PGDBA	20	11 Sep 2006	Product manager - Cuticura Talcum powder
33	Rakshat Chopra	51	-	12,082,595	Senior General Manager - Corporate Affairs	B. Arts	21	8 Nov 2021	SAB Miller India - Vice President Sales
34	Ruchira Jaitly	52	-	37,826,355	Chief Marketing Officer	PGDM, Marketing from Indian Institute of Management Ahmedabad	25	1 Oct 2021	CMO India - HMD Global Pvt Ltd
35	Sandeep Sharma	41	31	10,974,483	Senior General Manager - Sales (Cluster Head, MTR)	MBA	18	1 Apr 2015	Cargill India
36	Sanjay Ghoshal	54	-	10,462,662	Senior General Manager - Packaging Renovation & Productivity	Post-Graduate	25	12 Jan 2021	BIZONGO Director -Packaging
37	Sanjeev Vjih	55	21	13,826,337	Vice President - Corporate Affairs	B.com	27	25 Apr 2019	Head, External Affairs - Pernod Ricard
38	Saurabh Kumar	45	-	17,033,803	Vice President - Sales	B.Tech	22	18 Jul 2019	COO (Chief operating officer) - Innovative foods Ltd -

Annexure-4 (Continued)

Sr. No.	Employee Name	Age (as on 31 March 2025)	No of Shares held	Remuneration	Designation & nature of duties	Qualification	Experience	Date of commencement employment	Particulars of previous employment
39	Seema Sukumar	44	-	11,328,386	Vice President - Senior Counsel Legal	BSL, LLB	26	9 Apr 2020	BTG - Legal Partner
40	Shefali Sapra	55	-	10,856,824	Vice President - Corporate Communications	BA Hons, English Literature	26	26 Sep 2022	Danone India - Director Public Affairs and Communications
41	Shilpa Vaid	48	-	34,446,906	Chief HR Officer	B.A.(H), MBA HR IMI	25	14 Nov 2022	BU People Lead, India - Mondelez International
42	Shobhana Nikam	53	-	28,080,822	Executive Vice President and General Counsel	ML, International and Constitutional Law	28	31 Oct 2022	Senior Vice President & Head Legal - Wells Fargo International Solutions Private Limited
43	Shruti Zota	41	-	15,171,664	Vice President - Senior Counsel Legal	BLS LLB	18	10 Oct 2022	General Counsel - GlaxoSmithKline Pharmaceuticals Ltd
44	Subroto Ghosh	43	50	10,656,454	Senior General Manager - Procurement (Raw Materials & Commodities)	Bsc, PGDM	17	27 Sep 2021	Bajaj Consumer Care Ltd - Head Procurement and Planning
45	Sunil Dwivedi	52	-	15,959,615	Vice President - Manufacturing	B.E Chemical Engineering, IIT Bombay	22	10 Jan 2022	Head, Operations - AvanStrate Inc
46	Sunny Singh Kataria	41	-	18,834,339	Vice President - Sales	Master of Business Administration (MBA)	15	29 Nov 2021	Head of Commercial excellence - OLX Group
47	Varun Koorichh	42	-	18,411,356	Vice President - Category Head	MBA	16	31 Jul 2023	Marketing Director, Global Customers - Pepsico
48	Vikram Damodaran	49	51	32,785,369	Chief Innovation Officer	B.E., (Mech)	26	14 Oct 2019	Chief Product Officer - GE Healthcare
49	Vikram Jain	50	-	13,410,527	VP Sales - CSD & Franchise Business	MBA / B.com	27	19 Jan 2009	Senior Manage, Marketing - Pernod Ricard

B. Employees for Part Period

Sr. No.	Employee Name	Age (as on 31 March 2025)	No of Shares held	Remuneration	Designation & nature of duties	Qualification	Experience	Date of commencement of employment	Particulars of previous employment	Last working day with the Company
1	Aditya Sharma	45	-	7,884,586	Senior General Manager - Customer Marketing	Bachelor of Arts, PGDM	24	9 May 2022	AGM, Marketing - Pernod India	28/11/2024
2	Anshu Vazirani	42	-	12,063,564	Vice President - Corporate Real Estate Services	PGDM / M.Tech	17	12 Jun 2017	Director - GEP (Global eProcure)	6/10/2024
3	Aparna Deshmukh	49	-	12,777,846	Vice President - Category Head	Master in Management Studies	26	15 Jan 2024	VP & Head, Brand Product - American Express India	31/01/2025
4	Deepshikha Jaideep Dubey	33	-	2,577,221	Senior General Manager - Shopper Marketing	MBA, M.com, B.com	11	13 Jan 2025	ANHEUSER-BUSCH INBEV (ABI) - ASSOCIATE DIRECTOR- MARKETING, SOUTH ASIA	NA*
5	Devashish Dasgupta	59	-	14,051,174	Corporate Relations Director	B.Sc, CA	35	5 Dec 2024	FICCI National executive committee	NA*

Annexure-4 (Continued)

Sr. No.	Employee Name	Age (as on 31 March 2025)	No of Shares held	Remuneration	Designation & nature of duties	Qualification	Experience	Date of commencement of employment	Particulars of previous employment	Last working day with the Company
6	Dhivya Kumar Bansal	41	-	10,528,037	Vice President and Chief Digital & Technology Officer	B.Tech, PGDM	17	6 Nov 2024	Unilever - IT Director	NA*
7	Gaurav Kumar Anand	41	-	10,759,790	Senior General Manager - Data & Analytics Head	B.Tech, PGDM	20	23 Mar 2016	Symantec India -Manager - APJ Commercial Strategy and Insights	21/03/2025
8	Glen A L D Souza	54	-	1,934,177	Senior General Manager - HR Business Partner	LLB	25	2 Apr 2020	Senior Manager - HRBP - GE	24/05/2024
9	Nikhil Srivastava	34	-	6,851,697	Senior General Manager - New Growth Engines	B.Com, MBA	15	23 Sep 2024	AB InBev -Director	NA*
10	Prathmesh Mishra	55	-	6,314,724	Chief Commercial Officer	PGDM, BA	25	18 Jun 2014	Pernod Ricard	30/06/2024
11	Praveen Someshwar	58	-	16,904,372	Managing Director and Chief Executive Officer	CA/ICWA	37	1 Mar 2025	HT Media Ltd - MD & CEO	NA*
12	Shashi Kumar	54	-	1,080,157	Vice President - Supply Move	B.E. Industrial and Production Engineering	24	2 Feb 2015	General Manager - Innovation (R&D) - 3M India Limited	30/04/2024
13	Shweta Jain	49	-	625,133	Chief Business Development Officer - Luxury Reserve Craft & Strategic Accounts	MBA / B.com	20	11 Dec 2017	Head of Marketing Indian Subcontinent - William Grant & Sons	10/4/2024
14	Swapnil Narendra Vispute	32	-	1,402,772	General Manager - Procurement	MBA, B.tech	10	10 Feb 2025	Neste - Sourcing lead	NA*
15	Vineet Agrawal	41	210	4,076,030	Senior General Manager - Innovation Commercialization	B.E, PGDM	11	20 Nov 2024	Air India -Globe Head	NA*

*Employees have joined the Company during FY 2024-25 and are continuing in employment hence last working day is not applicable.

Notes :

1. The aforementioned employees have / had permanent employment contracts with the Company.
2. Employees mentioned above are neither relatives of any directors of the Company, nor hold 2% or more of the paid-up equity share capital of the Company as per Clause (iii) of sub-rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

By Order of the Board

Place: Bengaluru
Date : 20th May 2025

V K Vishwanathan
Chairperson
DIN: 01782934

Annexure-5

Risk Management

We define risk as “an uncertainty that could help or hinder achieving our business objectives”. We believe that effective risk management starts with the right conversations to drive better business decisions. Our primary focus is to identify and embed mitigating actions for material risks that could impact our current or future performance, and/or our reputation. Our approach is structured to ensure that we take all reasonable steps to mitigate, but not necessarily eliminate, all risks in this context.

Risk Governance Framework

We have established a robust governance model designed to embed a risk-aware culture throughout the organization. Each function holds ownership for identifying and reporting risks to the appropriate leadership tier, while the Governance function provides independent oversight and ensures alignment at the enterprise level.

Key pillars of our Risk Management Framework include:

- **Three-Tier Risk Management Committee (RMC):**

A structured, multi-level committee system operating at the Functional, Executive, and Board levels to ensure comprehensive risk oversight and accountability.
- **Well-Defined Risk Management Policy:**

A formal policy framework defining risk governance, roles, responsibilities, and the end-to-end risk management process.
- **Periodic Risk Review Meetings:**

Periodic RMC meetings to assess the risk landscape, monitor mitigation progress, and evaluate emerging risks.
- **Structured Risk Documentation:**

All critical risks are formally documented, with identified root causes, impact assessments, ownership accountability, and detailed, time-bound mitigation plans with measurable indicators.
- **Ongoing Monitoring & Dynamic Updates:**

Risks are continuously tracked, with timely updates to risk profiles and mitigation actions to reflect changing business contexts.
- **End-to-End Risk Coverage:**

The framework encompasses a wide range of strategic, financial, operational, compliance, and emerging risks, both internal and external, ensuring holistic risk oversight.

Refer to the Risk Management section for further details (Page 24).

Annexure-6

Corporate Social Responsibility (CSR)

THE INTEGRATED ANNUAL REPORT ON CSR ACTIVITIES FOR THE YEAR ENDED 31st MARCH 2025

[Pursuant to Section 135 of Companies Act, 2013 read with Rule 8 of Companies (CSR Policy) Rules, 2014]

1. Brief outline of the CSR Policy of the Company

Company aspires to make a lasting difference in the lives of our communities, with a view to be able to build their agency and to lead a life of dignity. The Company also intends to contribute towards the Sustainable Development Goals set out by the United Nations, with the CSR activities being one of the avenues to help achieve the Goals.

Spirit of progress is the CSR & ESG strategy of the Company that supports the ambition to become the best performing, most trusted, and respected consumer products company in India. Our mission is to empower the communities in their own development through a collaborative, and sustainable approach, underscored by responsible utilization of resource in partnership with community-based institutions, civil society organizations, value chain partners and industry peers and to undertake sustainable initiatives under agreed focus areas, leading to measurable progress, especially in areas of education, women empowerment, economic well-being, and environment.

2. Composition of Corporate Social Responsibility and Environmental, Social and Governance (CSR and ESG) Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR and ESG Committee held during the year	Number of meetings of CSR and ESG Committee attended during the year
1.	Dr. Indu Bhushan*	Non-Executive Independent Director (Chairperson of the Committee)	2	2
2.	Dr. Indu Shahani&	Non-Executive Independent Director (Chairperson of the Committee)	2	2
3.	Mr. Mark Sandys	Non-Executive Director	4	4
4.	Ms. Hina Nagarajan®	Managing Director and Chief Executive Officer	4	4
5.	Mr. D Sivanandhan§	Non-Executive Independent Director	2	2
6.	Ms. Emily Kathryn Gibson#	Non-Executive Director	3	2
7.	Mr. Praveen Someshwar%	Managing Director and Chief Executive Officer	NA	NA

* - Dr. Indu Bhushan was appointed as member and chairperson with effect from 30th September 2024

& - Dr. Indu Shahani ceased to be a member and chairperson of the Committee from end of the business hours on 29th September2024

@ - Ms. Hina Nagarajan ceased to be a member from end of the day on 31st March 2025

\$ - Mr. D Sivanandhan ceased to be a member of the Committee from close of the business hours on 31st July 2024

- Ms. Emily Kathryn Gibson ceased to be a member from end of the business hours on 31st October 2024

% - Mr. Praveen Someshwar was appointed as member with effect from 1st April 2025

3. Web link where the Composition of the CSR and ESG Committee, CSR Policy, and CSR projects approved by the Board is disclosed on the website of the Company:

<https://www.diageoindia.com/en/investors/corporate-social-responsibility>

Annexure-6 (Continued)

4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Projects Covered	5 projects having budget of more than INR 1 crore each during the financial year 2022-23 were taken up for impact assessment.
Projects Duration	FY 22-23
Impact Assessment Agency	Grant Thornton Bharat LLP
Period of Study	FY 24-25
Methodology	The framework used is based on the principals of OECD-DAC (The Organization for Economic Cooperation and Development-Development assistance committee) and covers aspects of relevance, effectiveness, efficiency, impact, and sustainability. The study was executed through surveys and focused group discussions (FGDs) with the beneficiaries and in-depth interviews (IDIs) with relevant stakeholders. The agency took up studies through a mixed method approach covering quantitative and qualitative data collection. A statistically significant sample size was covered under each project.

Projects	Impact recorded
Water Replenishment, Nanded, Maharashtra	The project was initiated with the aim to improve access to water and sanitation in Nanded district of Maharashtra. It focused on water replenishment, afforestation, construction of WASH infrastructure along with awareness generation on sanitation and water conservation. The key activities under the project included rainwater harvesting (RWH), surface water recharge, water body de-siltation, construction of toilets, along with awareness workshops with the community and students.

Objective:

- To increase the availability of water for productive use.
- To improve access to sanitation facilities and clean drinking water.
- To increase ground water through percolation.

Output:

- Desiltation:** Three ponds were desilted with Potential water replenishment capacity of approx. 200000 Cu.M.
- RO Plant Installation:** Fours ROs installed.
- Bio-Toilets:** Three (3) bio-toilets were constructed in a school & community
- Recharge Pits:** Three (3) new recharge pits were constructed
- Afforestation:** 800 trees were planted
- Capacity Building/ Street Plays:** Community awareness sessions conducted across Nanded
- Bridge Construction:** A 4-meter-wide bridge was constructed to connect residential areas to farm lands across a rain-fed river stream.

Impact:

Sample: As part of this study, 103 community members of five (05) villages in Nanded were engaged as respondents.

Following impact was confirmed by the respondents.

- Desiltation has enhanced water storage capacity and groundwater recharge, benefiting local communities, particularly those dependent on agriculture. All the respondents interviewed revealed that they availed the silt and used in their farmlands and experienced increase in their productivity/ income. This has resulted in an approximate 30-50% increase in their net income.

Annexure-6 (Continued)

	• Provision of Clean drinking water: 53% respondents revealed that they encountered health issues from drinking water prior to the installation of the RO due to high fluoride content in water. 78% of students rated the water quality as excellent, while 16% considered it good, and only 7% rated it as average. This largely positive response highlights the project’s success in providing clean and safe drinking water. • Recharge Pits: 67% respondents acknowledged that the recharge pits have enhanced water percolation, leading to significant rise in borewell water levels. Thus, the provision of recharge pits for collection of rainwater has boosted water conservation efforts and ensured long-term water management in the region. • Construction of Sanitation Facilities: Prior to the installation and repair of sanitation facilities, respondents practiced open defecation or depended on community toilets. Lack of adequate sanitation infrastructure posed the risk of serious short- and long-term health hazards. After implementation of the project activities, 96% of respondents expressed extreme satisfaction with the cleanliness and maintenance of the installed toilets. • Bridge Construction: Prior to this intervention, crossing the river stream was highly challenging, especially during monsoons, when flooding and difficult terrain left farmers and laborers stranded on one side of the farmland. Respondents revealed that construction of the bridge has enhanced ease of movement, ensuring that farmers, workers, and transport vehicles can now access farmland throughout the year.
Wrong Side of the Road (WSOTR): Creating awareness on Impacts of drink driving:	Diageo India is implementing its programme on educating consumers on the impacts of drink driving. It is being implemented across various Regional Transport Offices in India through a WSOTR Tab Lab model where new driving license seeker must attend this programme as a part of the driving licence issuing process. Objective: To influence participants’ behavior (drivers, motorists and other road users) and promote responsible driving. Output: 99,660 individuals who were above legal drinking age were made aware of the preventive road safety education through the WSOTR module across 25 Regional Transport Office (RTOs). Impact: Sample Size: 6 RTOs across 4 states were covered. The following impact was observed: • The programme is highly effective due to the following: Use of online methods of knowledge dissemination, Use of detailed and structured modules, Incorporated into the regular process of government registration, Spread across multiple locations. • Significant improvement was observed in the attitude change measured through the Pre & Post survey questionnaire that was administered after the module completion. Testimonials collected during the assessment process: RTO officer: Mr. Suresh Kumar Arora, Alwar, Rajasthan “As an officer with the RTO, I can confidently say that the WSOTR programme has been highly relevant and impactful for our community. Road safety remains a top priority for us, and while enforcement is key, education plays a crucial role in changing driver behavior and reducing accidents”

Annexure-6 (Continued)

Act Smart India: Educating young people on the dangers of underage consumption	Diageo India is implementing its programme “Act Smart India”, that uses powerful storytelling life-skills workshop as a tool to create awareness about the dangers of underage drinking amongst young people. The programme is being implemented across Govt. and Pvt. Schools in India. Objective: • To create awareness among students between the age group 13 and 17 years on curbing underage consumption through interactive sessions. • To develop life skills among students through interactive activities like poster making and debates. Output: 1,30,446 Adolescents were made aware about the risks and consequences associated with underage drinking across 187 schools. Impact assessment: • Sample Size: 4 locations, 67 Students & 13 teachers and a live session was assessed. The following impacts were observed: • Majority of the students agreed to the need for such programmes. They highlighted that before these sessions they did not discuss the topic of underage drinking and its risks. With the help of such interactive discussions, they have better understanding. • The programme proved to be effective in following ways: - Interactive learning: The combination of movie screenings, discussions, and poster-making made the sessions engaging and interactive, helping students better understand the consequences of underage drinking. - Creative expression: Making posters allowed students to creatively express what they learned. Reinforcing the message through visual art allowed students better understanding. - Peer influence: Peer participation and the use of open forums for discussions, helped students realize that they are not alone in facing these issues. It encouraged them to support each other in making healthy choices. - Use of technology: Using digital media for movie screenings and presentations reduced the need for physical materials, made it easier to organize, and ensured a more interactive session. Testimonial collected during the assessment process: Teacher “Students opened about their thoughts on peer pressure and the consequences of underage drinking, that resulted in a deeper understanding of these issues”. Student: “I always thought underage drinking was just something everyone did. But after attending the interactive sessions, I realized how serious the consequences can be. The discussions and activities made it relatable and engaging. I now feel more confident in saying no to peer pressure and can share what I learned with my friends”.
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Annexure-6 (Continued)

Learning for Life: A Business & Hospitality skills programme	Learning for Life is Diageo’s business and hospitality skills programme for those seeking employment in the hospitality industry, but who may have faced barriers to education and employment in their lives. The programme offers training in two trades across 7 districts in 7 states and 1 Union Territory: - Food and Beverage Steward - Front Office Objectives of the programme: - Improve employability through vocational training - Enhance sustainable livelihood opportunities Output: 1400 individuals were provided relevant skills in Business & hospitality sector through Learning for Life Programme. Assessment details: - Sample Size: 178 participants (across 8 locations) with other including employers, project team, Trainers etc. Following impact was observed: 58% of the respondents were enrolled in the Front Office course, while 42% were enrolled in the Food & Beverage-Steward course. 53% were placed at respectable organizations. - Among all the respondents who received placement, 82% stated that they got the opportunity through the Learning for Life programme. - After training 17% respondents were earning More than ₹ 15000 per month, 57% respondents started earning between ₹ 10,001 to 15,000, 23% between ₹ 5,001 to 10,000.
Water Replenishment, Hyderabad, Telangana	Diageo India implemented water replenishment project through desilting of community ponds in Hyderabad, Telangana with the objective to enhance water availability, support groundwater recharge. Objective: - To increase the availability of water for productive use. - Recharge ground water through percolation. Output: Potential water replenishment capacity of approx. 93000 CU.M. was created through Desiltation of pond. As a part of the impact assessment, interactions were conducted with key community members and officials from the irrigation department to gauge impact of the program and improvement areas. The key impacts observed were: - Prior to this intervention, the community faced acute water shortages for irrigation and daily use. Through a structured and well-planned approach, the project not only increased the pond’s storage capacity. - A notable outcome has been the revival and promotion of pisciculture as a viable livelihood option for local community members. With sustained water levels in the pond, beneficiaries reported increased opportunities to engage in fish farming, thereby diversifying income sources. Community members have now been able to stock over 2 lakh fingerlings/ baby fish, which mature into approximately 4 lakh fish—a remarkable improvement from the pre-project capacity of stocking just about 10,000 baby fish that would mature to about 20,000 fish. This expansion has not only enhanced fish production but has also created new economic opportunities for farmers and fisherfolk, strengthening the community’s financial resilience.

For detailed report please refer: - <https://www.diageoindia.com/en/investors/corporate-social-responsibility>

Annexure-6 (Continued)

5.

Sl. No.	Particulars	Amount (₹ in crore)
(a)	Average net profit of the Company as per Section 135(5) of the Companies Act, 2013	1,275
(b)	Two percent of average net profit of the Company as per Section 135(5) of the Companies Act, 2013	25.50
(c)	Surplus arising out of CSR projects or programmes or projects or activities of the previous financial years	Nil
(d)	Amount required to be set-off for the financial year, if any	1.83
(e)	Total CSR obligation for the financial year [(b)+(c)-(d)]	23.67

6.

Sl. No.	Particulars	Amount (₹ in crore)
(a)	Amount spent on CSR projects (both Ongoing projects and other than Ongoing Project	22.19
(b)	Amount spent in Administrative Overheads	1.11
(c)	Amount spent on Impact Assessment, if applicable	0.37
(d)	Total amount spent for the financial year [(a)+(b)+(c)]	23.67

(e) CSR amount spent or unspent for the financial year:

Total amount spent for the financial year (₹ in crore)	Amount unspent (₹ in crore)				
	Total amount transferred to unspent CSR account as per Section 135(6) of the Companies Act, 2013		Amount transferred to any Fund specified under Schedule VII as per the second proviso to Section 135(5) of the Companies Act, 2013		
	Amount (₹ in crore)	Date of Transfer	Name of the Fund	(₹ in crore)	Date of Transfer
23.67	N.A.	N.A.	N.A.	N.A	N.A.

(f) Excess amount for set off, if any:

Sl. No.	Particulars	Amount (₹ in crore)
(i)	Two percent of the average net profit of the Company as per Section 135(5) of the Companies Act, 2013	25.50
(ii)	Total amount spent for the financial year	23.67
(iii)	Excess amount spent for the financial year [(ii)-(i)]	nil
(iv)	Excess amount spent during previous years available for set off in the current financial year	2.31
(v)	Excess amount spent during previous years utilized for set off in the current financial year	1.83
(vi)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	N.A.
(vii)	Amount available for set off in succeeding financial years [(iv)-(v)]	0.48

7.

Details of unspent Corporate Social Responsibility amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in crore)	Amount spent in the reporting Financial Year (₹ in crore)	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. (₹ in crore)
				Name of the Fund	Amount (₹ in crore)	Date of transfer	
1.	FY 22-23	7.88	Nil	Nil	N.A.	N.A.	N.A.
Total							

Annexure-6 (Continued)

8. Whether any capital asset have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

NO

If yes, enter the number of Capital assets created / acquired:

Furnish the details relating to the asset so created or acquired through Corporate Social Responsibility amount spent in the financial year:

Sl. No.	Preceding Financial Year.	Short particulars of the property of asset(s) (including complete address and location of the property)	Amount spent in the reporting Financial Year (₹ in crore)	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. (₹ in crore)		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration number, if applicable	Name	Registered address

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per Section 135(5) of the Companies Act, 2013:

N.A.

Place: Bengaluru
Date: 20th May 2025

Mr. Praveen Someshwar
(Managing Director and Chief Executive Officer)
DIN: 01802656

Dr. Indu Bhushan
(Chairperson CSR and ESG Committee)
DIN: 09302960

Annexure-7

Energy Conservation, Technology Absorption & Foreign Exchange

Details of Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outflow (Section 134 (3) (m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014)

A) (i) Conservation of Energy

As a responsible corporate entity, USL is committed to transitioning away from fossil fuels in its operations. We have successfully eliminated the use of coal across all our distilleries by installing boilers that operate entirely on biomass. As a result, 100% of the thermal energy requirements at our distilleries are now met through renewable fuel sources, maintaining our zero-coal status consistently for the past five years.

Aligned with our Spirit of Progress ambition, USL is also working towards achieving 100% renewable electricity across operations. We are advancing this goal through a combination of onsite renewable energy generation—via steam turbines and enhanced solar infrastructure—and the procurement of International Renewable Electricity Certificates (I-RECs) to offset electricity drawn from the grid. Solar power systems have been deployed at multiple facilities including Alwar, Goa, Kumbalgodu, Nasik, and Baramati, underscoring our commitment to clean energy adoption.

In addition to shifting towards renewables, we are actively focused on optimizing energy use through conservation and efficiency initiatives. These efforts are designed to reduce energy intensity, lower operational costs, and contribute meaningfully to our sustainability objectives. Notable interventions include the installation of Variable Frequency Drives (VFDs), synchronization of conveyors, use of sensors based on operating hours and occupancy, improved asset management, and the upgrade to energy-efficient systems. Collectively, these initiatives have led to annual energy savings of approximately 35,500 kWh.

Through our integrated approach—comprising fuel transition, renewable energy sourcing, and energy efficiency—USL continues to lead with action in minimizing environmental impact while advancing toward long-term decarbonization goals.

(ii) Renewable Energy (Own units):

USL continues to make consistent and measurable progress in its energy transition journey, with focused efforts across the following key areas:

- Commitment to energy conservation and continuous improvement in energy efficiency across operations.
- Commitment to achieve 100% renewable energy and renewable electricity usage.
- Exclusive use of renewable biofuels in all distillery boilers to meet thermal energy needs.
- In-house generation of renewable electricity through steam turbines and solar power installations.
- Strategic procurement of International Renewable Energy Certificates (I-RECs) to offset electricity sourced from the grid.

B) Technology Absorption

i. The efforts made towards technology absorption.

USL continues to integrate cutting-edge technologies into its operations, with several pioneering initiatives undertaken to drive efficiency, sustainability, and safety. Key highlights include:

- Initiated the first-ever fully insulated rack-clad warehouse, replacing the traditional PEB + racking structure. This upgrade is expected to significantly reduce maturation losses and improve energy efficiency.
- Piloted the use of Automated Mobile Robots (AMRs) for outdoor logistics—specifically in handling empty bottles and Pack mat—marking a first for USL and advancing the digital transformation of supply operations.
- Installed roof insulation in maturation warehouses, reducing temperature fluctuations and minimizing spirit losses. This contributes to a lower carbon and water footprint for new-make spirit production.

Annexure-7 (Continued)

- d)

Deployed Lower Explosive Limit (LEL) and gas detectors across maturation warehouses and quality labs to elevate safety standards—a first-of-its-kind initiative for the company.
- e)

Implemented an end-to-end, ergonomic glass cullet handling system for safe and efficient disposal of broken glass in bottling lines.
- f)

Commissioned fully integrated PET packaging lines at multiple sites, equipped with advanced automation, inline quality checks, and improved reliability and safety standards.
- g)

Developed and deployed AI-powered visual inspection systems for empty, filled, and labelled bottles to eliminate quality defects and enhance customer satisfaction.
- h)

Integrated biogas from distillery waste as a renewable fuel source in boilers, reducing overall fuel consumption.
- ii.

The benefits derived like product improvement, cost reduction, product development or import substitution.

The adoption of new technologies across infrastructure and bottling has delivered tangible benefits across productivity, safety, cost optimization, and import substitution:

•

Automation and frugal innovation have enhanced output while reducing dependency on manual labour and lowering operating costs.

•

Upgrades in warehouse design, monitoring systems, and packaging automation have improved workplace safety and employee wellbeing.

•

Successfully implemented an AI-powered vision inspection system for examining empty and filled labelled bottles in collaboration with Indian startups, effectively replacing expensive imports.

•

Designed and deployed indigenous unscramblers for PET operations, offering a cost-effective solution to imported Spanish equipment.

•

Created affordable automation systems including carton erectors, online check weighers, and case/bundle packers, significantly improving quality, safety, and ergonomics while reducing capital expenditure.
- iii.

In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

a)

The details of technology imported: Bottle Inspection Systems, Corking & Capsuling Machines

b)

The year of import: 2022 and 2023.

c)

Whether the technology been fully absorbed: Yes. Inspection Systems are completely Installed and operating at Nimapada, Alwar & Kumbalgodu.

d)

If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not applicable.

iv.

The expenditure incurred on Research and Development:

₹ 27.29 Cr capital has been spent on Research and Development which includes renovation and Innovation.
- C) Foreign Exchange Earnings and Outgo
- | Particulars | (₹ in crore) |
|--|--------------|
| Foreign Exchange earned in terms of actual inflows | 152.10 |
| Foreign Exchange outgo in terms of actual outflows | 1,016.26 |
- By Order of the Board
- V K Viswanathan
Chairperson
DIN: 01782934
- Place: Bengaluru
Date: 20th May 2025
- Management Discussion and Analysis
- Economic Overview
- Global Economy
- The global economy stands today at a critical juncture amid substantial policy pivots and uncertainty. A series of developments marked 2024, which saw signs of stabilisation after a prolonged and challenging period of unprecedented shocks. Inflation started coming down from multi-decade highs, and the Labour markets also normalised, with unemployment and vacancy rates returning to pre-pandemic levels. However, major policy shifts are resetting the global trade system and triggering uncertainty that is once again testing the resilience of the global economy. Since February 2025, the United States has announced multiple waves of tariffs against trading partners, some of which have invoked countermeasures.
- These developments come against an already-cooling economic momentum. High-frequency indicators, such as retail sales and purchasing managers’ surveys, point to slowing growth. The differences in performance across countries is also a matter of concern. These diversities are the result of a variety of shocks, structural characteristics, and policy actions. Within countries too, inequalities in households’ income gains signal potential vulnerability. In some cases, real GDP has recovered, but real GDP per capita has not.
- The inflation outlook as a whole has improved but has not yet fully returned to pre-pandemic patterns, indicating potential high levels of uncertainty. In particular, the effects of the recently imposed tariffs across countries will depend on whether the tariffs are perceived to be temporary or permanent, the extent to which firms adjust margins to offset increased import costs, and whether imports are invoiced in US dollars or local currency. Cross-country implications will differ too. The effects can be significant, since trade tariffs act as a supply shock on tariffing countries, reducing productivity and increasing unit costs.
- In the absence of structural reform momentum and confronted by headwinds from a range of challenges, global economic performance is expected to remain mediocre. The growth forecast for the coming five years stands at 3.2%, below the 2000-19 historical average of 3.7%. The fact that moderation of medium-term growth is more evident among emerging market and developing economies implies a deceleration in income convergence.
- Demographics has emerged as a key and increasingly common driver of these sluggish medium-term growth dynamics. Population ageing is expected to weigh significantly on productivity, labour force participation, and ultimately on growth. Population movements across borders could help alleviate some of the demographic drag, and policies governing these movements can have complex spillovers onto growth.
- In this backdrop, several plausible alternatives are possible, shaped by rapidly changing trade policies. In the face of ongoing structural shifts, heightened uncertainty, and persistently weak growth, policies should focus on strong measures to restore confidence and stability, reduce imbalances, and sustainably lift growth. Reducing policy-induced uncertainty and resolving trade tensions can promote a more stable environment, bolster consumption, and facilitate investment. In the short term, countries need to calibrate monetary and prudential policies carefully to maintain price and financial stability. Gradual rebuilding of the fiscal space remains critical for managing increased public spending needs and building sufficient buffers to address future shocks, which could be sizeable and recurrent. To promote growth prospects in the medium term, it is important to deliver on structural reforms, while prudently harnessing the benefits of technological advances.
- Source: International Monetary Fund World Economic Outlook, Apr 2025
- Indian Economy
- India is projected to remain the fastest-growing large economy for 2025 and 2026, reaffirming its dominance in the global economic landscape. Robust domestic demand, a young workforce, and a strong focus on sustainability and innovation, along with the ongoing growth of digital infrastructure, are the key engines driving India’s growth. As per IMF, India’s economy is expected to expand by 6.2% in 2025 and 6.3% in 2026, outpacing many of its global counterparts. In contrast, the IMF projects global economic growth to be much lower, at 2.8% in 2025 and 3.0% in 2026, highlighting India’s exceptional outperformance. India’s Consumer price inflation has come down to a 6-year low at 4.6% in FY 2024-25. This was largely driven by food inflation.
- India’s central bank, the Reserve Bank of India (RBI), on February 7, 2025, announced a 25-basis point reduction in the repo rate, bringing it down to 6.25%. The first rate cut in nearly five years, this was aimed at stimulating economic growth amid easing inflation. Another 25 basis point reduction was announced on April 9, 2025 bringing the repo rate down to 6.0%. Alongside this, the RBI shifted its policy stance from ‘accommodative’ to ‘neutral’, signaling a more balanced and cautious approach to future monetary decisions. Despite headwinds like a weakening rupee and volatile global energy prices, the RBI continues to focus on maintaining economic stability while ensuring regulatory effectiveness. It has projected India’s GDP growth rate at 6.5% for FY 2025-26, underpinned by recovery in industrial activity, strong household consumption, and healthy rabi crop prospects.
- In another favourable development, the Indian government, in the Union Budget for Financial Year 2025-26, introduced significant changes to the new tax regime, enhancing the tax-free income threshold for individuals. This significantly increases disposable
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Management Discussion and Analysis (Continued)

income for India’s middle-class households. The government also allocated a capital expenditure of ₹11.21 trillion, accounting for 3.1% of GDP and up from ₹11.11 trillion in FY 2024-25. This reflected the government’s sustained focus on infrastructure and economic expansion. With a strong emphasis on self-reliance, adaptability and global integration, India is well-positioned for sustained growth. Key initiatives such as “Make in India”, infrastructure development, and supportive policy reforms will continue to drive economic resilience and long-term progress.

Overall, domestic economic activity continues to be supported strongly by revival in consumption and the government’s sustained capex push. A pick-up in private consumption, upturn in agricultural activity, continuing resilience of the services sector, high-capacity utilisation, healthy balance sheets of banks and corporates, and the government’s continued thrust on capital expenditure augur well for India’s growth outlook. However, the prevailing uncertainty about global trade owing to rising protectionist measures, persistent geopolitical tensions, increasing supply chain pressures, and volatile global financial conditions render the outlook uncertain.

Quite clearly, India’s baseline growth path faces both upside and downside prospects. The upside prospects emanate from revival in corporate investment cycle; improving business sentiments; faster global disinflation; quick resolution of global trade related issues; continued softening of global commodity prices; and an early resolution of the geopolitical conflicts. On the other hand, increasing trade fragmentation due to protectionist policies including higher tariffs; further escalation in geopolitical tensions; volatility in international financial markets; frequent weather-related disturbances; and supply chain disruptions pose downside risks to the baseline growth path.

Source: Ministry of Statistics and Programme Implementation, Reserve Bank of India, Press Information Bureau, Monetary Policy Committee reports.

Industry Overview

Global Alcoholic Beverage Industry

The global alcoholic beverage industry is undergoing significant shifts, influenced by evolving consumer preferences and market dynamics. The International Wine and Spirits Record (IWSR) data projects India, China and the United States to be the key drivers of growth in the global alcoholic beverage market. These countries are estimated to collectively add USD 30 billion in value to the industry by 2028, despite the challenges faced in 2023 and 2024.

Among these three countries, India is showing significant growth, particularly in whisky. Markets such as China are experiencing volume declines due to economic factors. In response to the dynamic environment shaped by macroeconomic and regulatory pressures,

brands are actively recalibrating their strategies by expanding into emerging markets and promoting innovation across product categories to sustain growth.

Increasing disposable incomes in emerging markets, which have led to higher demand for premium and luxury products, are a key driver of growth in the global alcoholic beverage industry. Consumers are increasingly interested in unique, high-quality, craft and artisanal drinks. At the same time, expansion of e-commerce and retail channels has promoted accessibility for these products. Urbanisation and changing social trends are encouraging more social drinking, while product innovations, such as low-alcohol and uniquely flavoured options, are attracting a wider audience. Marketing efforts, brand positioning, and strong growth in the travel and hospitality sectors are further propelling the industry’s growth.

To summarise, the major trends seen currently in the industry include a growing shift toward premium products, escalating demand for wellness-focused beverages, and increasing preferences for craft and non-alcoholic options, driven by evolving consumer lifestyles and health-conscious choices.

Indian Alcoholic Beverage Industry

India’s alcohol industry is experiencing accelerated growth, driven by factors such as growing population, favourable demographics, and evolving lifestyles. Increased urbanisation, a growing middle class, and higher disposable incomes are contributing to greater alcohol consumption. Changing social attitudes, including increased acceptance among women in boom towns, are further catalysing expansion in the consumer base. Additionally, as more individuals enter the workforce at a younger age, the demand for premium alcoholic beverages is seeing a marked increase, fuelled by shifting social norms and aspirations for enhanced quality of life.

Premiumisation stands out as a major trend in the Indian alcoholic beverage market, with consumers moving towards higher-quality products. With the affluent consumers tending to explore more brands, propositions that are distinctive and differentiated are gaining traction. Repertoire consumption at the top end of the economic strata continues to increase – fuelling growth for the industry. The influence of on-trade sales, such as in bars and restaurants, is also boosting growth by encouraging consumers to explore premium options. Changing attitudes towards alcohol consumption, including more social and moderate drinking, along with fluctuations in supportive excise regulations, are further fuelling the industry’s growth momentum.

The Indian alcoholic beverage market is driven mainly by domestic production, with whisky imports primarily used for blending in Indian Made Foreign Liquor (IMFL). India remains the world’s largest importer of Scotch whisky, with the premiumisation trend anticipated to further increase whisky imports.

Management Discussion and Analysis (Continued)

The mass media advertising restrictions in the country have prompted the alcoholic beverage industry to emphasise marketing strategies that include point-of-sale promotions, digital media campaigns, and event-based activations to enhance brand visibility and consumer engagement. Experiences and events, therefore, have a much larger role to play for the industry, and Diageo remains at the forefront of bringing such immersive experiences to the Indian consumers – a trend that has further accentuated post Covid. Partnerships with international experiences and artists, which have attracted record turnouts, were a prominent highlight for the alcobev industry in FY 2024-25. These platforms are key to building experiential brand building at scale, with the right omni-channel activations designed to reach out more effectively to the audience.

However, as the macro environment continues to remain constrained, consumers are increasingly becoming more discerning, specifically at the middle and bottom end of the funnel. Growth is being driven by value disruptions, with consumers seeking a compelling value proposition. In this scenario, distinctive packaging, accessible liquids – with the right narrative and distinct flavour profiles, coupled with pack-price disruptions, are the key to drive growth in the category.

The Indian alcoholic beverage market, estimated at ~USD 56 billion in 2024, is projected to grow at a CAGR of 7.2%, reaching USD 112 billion by 2034, nearly doubling in size over the decade. The Spirits segment, particularly vodka, whisky, and rum, is projected to play a vital role in this expansion, with an estimated valuation of ~USD 51 billion by 2034.

India ranks 40th globally in alcoholic beverage exports, and has significant opportunities for expansion, particularly in key markets such as the UAE, Singapore and Africa. The government is actively supporting this growth through initiatives like participation in global trade shows and improving market access. Regulatory reforms and privatisation are expected to further drive the sector’s expansion, unlocking substantial economic potential.

Source: Kantar, wrightresearch.in, futuremarketinsights.com

Regulatory Scenario in the Indian Market

Despite alcoholic beverages holding a deep cultural and historical significance in India, the industry operates within a complex regulatory framework, governed by both central and state laws. The Food Safety and Standards Authority of India (FSSAI), under the Ministry of Health & Family Welfare, regulates the sector through the Food Safety and Standards (Alcoholic Beverages) Regulations, 2018, which came into effect on April 1, 2019. These regulations aim to ensure consumer safety, uphold quality standards, and provide a structured approach to industry oversight. India’s alcoholic beverage industry operates within a dynamic regulatory landscape, with state-specific laws shaping production, distribution and sales. While excise duties, licencing requirements and advertising restrictions present

challenges, they also stimulate innovation in marketing and brand positioning. Evolving policies, and a growing focus on responsible consumption, will catalyse opportunities for businesses to adapt and thrive in a more structured and compliant environment.

Recent policy changes have introduced significant shifts in the industry, creating a favourable environment for the growth of the Indian alcoholic beverage market. The most significant and welcome development has been in the State of Andhra Pradesh, where change of government in 2024 paved the way for premium brand owners to re-enter the market. This led to USL commencing business in the state after a 5-year long hiatus. Another major change was witnessed in the State of Uttar Pradesh, which introduced a reform with respect to liquor retail shops in its FY 2025-26 policy. Outlets that earlier sold only beer or foreign liquor will now be composite and are allowed to sell both in view of the policy change. This has almost doubled the reach for Spirits, with the significant increase in the number of outlets.

In Karnataka, the government notified new slabs for additional excise duty, leading to a reduction in the price of select premium liquor brands from July 1, 2024. At the national level, the GST Council, in its 53rd meeting on June 22, 2024, recommended amendment to Section 9(1) of the CGST Act to exclude extra-neutral alcohol (ENA) from GST, providing much-needed clarity and reducing tax litigation for the industry. The government’s move to address tax shortfalls from trade practices is expected to strengthen economic stability, while the budget has set the stage for a more resilient and inclusive economy.

Another landmark development during the year was the India-UK Free Trade Agreement, which was in the works since 2022. The trade pact has reduced duty on import of Scotch whisky and gin from the UK to half - at 75% from 150% earlier. This will gradually reduce to 40% over the next 10 years. India is amongst the world’s largest whisky markets, and this agreement will enable improved accessibility of Scotch for Indian consumers and boost the growth of alcobev and hospitality industries.

Opportunities & Threats

Opportunities

The Indian alcoholic beverage industry presents significant growth opportunities at the back of rising disposable incomes, expanding middle class, young population, and evolving consumer preferences toward premium and innovative products. Key opportunities include:

- **Premiumisation:** Consumers are increasingly prioritising quality over quantity, catalysing significant demand for premium and super-premium alcoholic beverages. Major brands are capitalising on this trend by expanding their high-end product portfolios, and launching innovative offerings that cater to local tastes and evolving consumer preferences.

Management Discussion and Analysis (Continued)

- **Innovation in Product Development:** The growing popularity of flavoured alcoholic beverages, low-alcohol options and mixers presents opportunities for product diversification. Industry leaders are continuously exploring innovative formulations to cater to evolving consumer preferences, particularly among younger demographics.
- **Digital Engagement and E-Commerce:** The growing influence of digital platforms offers avenues for direct consumer engagement, brand loyalty, and targeted marketing. E-commerce and social media campaigns are aiding many companies in expanding their reach and strengthening their brand positioning.
- **Expansion into Tier II and III Cities:** There is strong potential for growth in tier II and tier III cities, where rising income levels and evolving social norms are driving increased alcohol consumption. Strengthening distribution networks and forging strategic partnerships with local retailers will lead to improved market penetration, increased product accessibility, and sustained growth across diverse consumer segments.
- **Women:** Women are emerging as a key driver of societal change, building a more inclusive consumption narrative. Going beyond women as a target audience, this implies a cultural transformation in a highly stratified society, which is becoming more equal and inclusive.
- **Regulatory and Policy Tailwinds:** Recent policy changes have created a more favourable business environment, offering opportunities for industry players to expand operations and streamline supply chains. Many organisations would leverage these regulatory shifts by refining their market strategies, enhancing compliance frameworks, and exploring new growth opportunities to drive long-term sustainability and expansion.

Challenges

The Indian alcoholic beverage industry faces several challenges that impact its growth and operational dynamics. Key challenges include:

- **Compliance and Taxation Complexity:** The industry operates under stringent regulations that vary across states, making compliance and distribution challenging for businesses. Navigating these diverse policies requires careful strategic planning and a high degree of adaptability. The varying tax structures across different states lead to significant price differences, which in turn impact both the affordability of alcoholic beverages for consumers and the profitability of manufacturers.
- **Cultural Sensitivities:** Cultural sensitivities surrounding alcohol consumption continue to pose challenges in certain communities, where social norms and traditions discourage its acceptance.

This stigma can restrict market expansion, impact consumer demand, and necessitate the adoption of localised strategies by brands to build trust and engagement in these regions.

- **Health Consciousness:** Growing awareness of health risks associated with alcohol consumption is driving a shift toward low-alcohol and non-alcoholic alternatives, forcing traditional beverage companies to adapt with agility to evolving consumer preferences.
- **Illicit Market Competition:** The presence of unregulated and illegal alcohol sales significantly affects the revenue of legally operating businesses by creating unfair competition and reducing their market share. This also poses serious risks to consumer safety and quality control, as unregulated products may not adhere to established health and safety standards.

Company Overview

United Spirits Limited (hereafter referred to as ‘USL’ or ‘the Company’) is the one of the largest alcoholic beverage company in India, and a prominent player in the consumer goods sector. USL manufactures, sells and distributes beverage alcohol, offering a diverse portfolio of 50+ Brands across scotch whisky, IMFL whisky, malts, tequila, brandy, rum, vodka and gin. Diageo Relay B.V., a wholly-owned subsidiary of Diageo plc, holds a 55.88% shareholding in the Company.

USL has 36 active manufacturing facilities (including third-party) across India, supported by a robust distribution network of over 90,000 outlets where products are available, ensuring seamless product availability and extensive market reach. The Company promotes growth in the Prestige and Above (P&A) segments by augmenting its high-end offerings, while also maximising value in the popular segment to cater to diverse consumer preferences. USL benefits from a strong distribution network and an industry-leading market route, with more than 85% of its total branded spirits sales value coming from the P&A portfolio. USL remains focused on driving growth in the P&A segments, while optimising value from its brands in the popular segment.

Product Portfolio

USL sold ~64 million cases during FY 2024-25. We own several marquee brands, including Godawan, McDowell’s No.1, Royal Challenge, Royal Challenge American Pride, Signature, Antiquity, Black Dog, Director’s Special Black, McDowell’s Rum, McDowell’s Brandy and McDowell’s X-series. Additionally, under various licensing agreements, we import, manufacture, distribute and sell iconic Diageo brands in India, such as Don Julio, Singleton, Tanqueri, Captain Morgan, Johnnie Walker, J&B, Baileys, Lagavulin, Talisker, VAT 69, Black & White, Smirnoff and Ciroc.

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Management Discussion and Analysis (Continued)

Operational & Financial Highlights

During FY 2024-25, the Company strengthened its portfolio with several key product launches and strategic market expansions. The year saw the launch of the X-Series, McDowell’s non-whisky portfolio in salient markets and receiving an encouraging response, while Don Julio tequila continued its strong momentum, available in over 20 States as of March 2025. High-visibility events, such as the ‘Day of the Dead’, and year-end celebrations played a crucial role in strengthening brand engagement. These exciting activations attracted widespread attention and successfully reached an audience of approximately 12 million through earned media, further enhancing brand visibility and consumer connection.

In another notable development during the year, Smirnoff vodka introduced new flavours – Mirchi Mango, Zesty Lime and Minty Jamun – which received a positive initial response. We also planned rapid expansion into key markets, with a strong focus on generating trials and repeat purchases. Additionally, the launch of the 180 ml pocket pack of Royal Challenge in Assam, Rajasthan and Maharashtra further enhanced accessibility and convenience for consumers. Our premium innovation efforts also included the launch of a 375 ml hipster pack of Royal Challenge American Pride in select markets, and a limited-edition beer-flavoured whisky - RC Play, in Maharashtra, Assam, Madhya Pradesh, Goa and Uttar Pradesh.

In line with our premiumisation strategy, we made strategic investments in Inspired Hospitality, V9 Beverages and Indie Brews & Spirits to expand our presence in the premium Indian craft segment. These partnerships with innovative startups align with our vision of strengthening our portfolio by offering consumers a wider selection of high-quality brands. Also, in July 2024, through our collaboration with the Taj Group of Hotels, we introduced an exclusive edition of Godawan whisky, crafted for Taj Palaces, reinforcing brand’s luxury positioning. During the year, Godawan has successfully scaled to 16 states, with recent launches in West Bengal and New Delhi further expanding its consumer reach. The brand continues to earn global recognition, securing over 85 awards, including a gold and silver medal at Spirit Selection Cereal Malt Beverage (CMB) 2024. In December 2024, Baileys partnered with SMOOR to launch a premium dessert collection, now available in Mumbai, Pune, and Bengaluru, emphasising the brand’s indulgence and versatility.

FY 2024-25 was also a year that saw the establishment of The Good Craft Co Flavour Lab in Bengaluru, to serve as a hub for craft spirit startups and impart education within the industry. This initiative underscores our commitment to showcasing the best of India’s craft

sector while nurturing innovation and excellence. Several of our leading brands received notable industry recognitions during the year, with Baileys and Don Julio winning the silver category at the 30 Best Bars Awards 2024 for their popularity in premium bars and restaurants across India.

During FY 2024-25, we recorded sales volumes of 64 million cases, marking a 4.1% increase over the previous year. Our net sales grew by 8.2% Y-o-Y to ₹11,573 Crores, driven by continued premiumisation, resilient consumer demand, and the competitive performance of our innovation and renovation offerings. The P&A segment accounted for 83% of total volumes (compared to 82% in the previous year) and 89% of net sales (up from 87%). Net sales in the P&A segment grew by 9.9%, with strong double-digit growth in higher-value sub-segments. The Popular segment represented 17% (vs 18% in the previous year) of total volumes and 10% (vs 10% in the previous year) of total net sales during the financial year ended March 31, 2025.

The total net sales value for the year stood at ₹11,573 Crores as compared to ₹10,692 Crores in FY 2023-24. EBITDA was at ₹2,058 Crores as against ₹1,708 Crores in the previous year. We posted Profit Before Tax (PBT) before exceptional items at ₹2,121 Crores, in comparison with ₹1,703 Crores in FY 2023-24. Profit After Tax (PAT) stood at ₹1,558 Crores, up from ₹1,312 Crores in the previous fiscal year.

Our performance and growth during the year manifests the excellence of our broad-based portfolio with a national reach. At the same time, it sharply demonstrates our ability to capitalise on opportunities that arise in the normal course of business. Fiscal year 2025 also marked our re-entry into the state of Andhra Pradesh after a five-year hiatus. We commenced business on ground in record time, exemplifying our agility along with operational and commercial excellence. Navigating various regulatory changes, we swiftly moved into the market and were able to serve consumers with efficiency, demonstrating our ability to tap into opportunities with speed and precision.

During the year, we delivered a well-balanced product mix, with our premium and popular offerings across the price ladder supporting our growth and enhancing our competitiveness in the market. This strategic diversification enables broader market penetration for the Company, while catering to diverse consumer needs. Furthermore, our strong balance sheet and net cash surplus of ₹3,089 Crores (including current investments and term deposits), as of March 31, 2025, provide us with the financial strength to make value-accretive business decisions efficiently.

Management Discussion and Analysis (Continued)

Financial Performance (key highlights) (in ₹ Crores)

Particulars	FY 2024-25	FY 2023-24	Y-o-Y (%) Change
Net sales value	11,573	10,692	8.2
EBITDA	2,058	1,708	20.5
PBT	2,121	1,703	24.5
PAT	1,558	1,312	18.8

Key Financial Ratios

Particulars	Unit	FY 2024-25	FY 2023-24
Liquidity ratios			
Current Ratio	Times	2.0	1.9
Inventory Turnover Ratio	Days	37	38
Trade Receivables Turnover Ratio	Days	46	40
Trade Payables Turnover Ratio	Days	81	77
Profitability ratios			
EBITDA Margin	%	17.8	16.0
Operating Profit (EBIT) Margin	%	19.1	16.6
Net Profit Margin	%	13.5	12.3
Return on Equity Ratio (ROE)	%	21.0	20.3
Return on Capital Employed (ROCE)	%	26.4	24.7

Business Outlook

USL continues to be a leader in India’s Alcobev industry, driven by a strong portfolio and strategic guidance from the parent, Diageo plc. We remain strategically focused on enhancing our capabilities through organisational and distribution reforms, brand promotions, supply chain efficiencies, and portfolio optimisation. At the same time, we continue to invest proactively in promoting an inclusive work environment – an imperative for sustained and sustainable growth.

Our efforts are centred around accelerating the growth of our core brands, enhancing our route-to-consumer strategy, and leveraging economies of scale to strengthen our competitive edge. Also, as a responsible organisation rooted in ethics and integrity, we continue to uphold the highest standards of corporate responsibility. Our integration with Diageo’s brand portfolio has further reinforced our leadership in both volume and value terms.

While we remain cautiously optimistic about short-term demand, our strategic activation plans and ongoing expansion efforts in Andhra Pradesh are yielding positive outcomes. Looking ahead, we remain confident about India’s consumer market potential, and will continue to leverage premiumisation, innovation and execution excellence to drive long-term value creation for all our stakeholders.

Risk & Mitigation Strategies

USL strives to maintain its position as India’s leading consumer products company, with an ambition to be one of the best performing, most trusted and respected consumer products organisations in the country. We acknowledge the importance of effective risk management to achieving this vision, as it enhances the overall resilience of our business.

Our approach to risk management is proactive and comprehensive, integrating internal controls and business integrity to protect assets and support informed decision-making. We actively identify and address crucial risks that could impact our performance or reputation, such as regulatory changes, cybersecurity threats, and environmental concerns. The Risk Management Committee of the Board oversees our risk framework, and defines the Company’s risk tolerance and monitoring mitigation strategies.

We maintain a zero-tolerance policy towards risks that could harm individuals, compromise product quality, or breach regulations. We consistently evaluate risks across short-, medium-, and long-term, categorising them as high, medium, or low, to ensure sustained organisational agility in tackling emerging and prevailing challenges. Through structured policies, documented controls, and a culture of accountability, we are continually enhancing our ability to effectively navigate uncertainties while seizing growth opportunities.

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Management Discussion and Analysis (Continued)

Human Resources

Our people-centric initiatives are designed to nurture our Human Capital and help build USL as an organisation of the future. We have total permanent workforce (executive workforce and permanent workmen) over 2,400 and we continue to maintain cordial industrial relations as we explore areas for enhancing productivity.

Recognising our employees as the important enablers of our long-term success, we remain committed to promoting a high-performance culture in the organisation. It is our continuous endeavour to develop and promote internal talent, and in FY 2024-25, we achieved an internal sufficiency of 52%. We strive to create a positive experience, continuously communicate with the employees, and gather feedback on the organisational practices, ways of working, and their overall experience at USL, thereby incubating a work culture that promotes individual and collective growth. Our overall attrition stood at 13.5% in FY 2024-25 (down by 0.8% compared to FY 2023-24).

Our commitment to fostering an inclusive and diverse work culture is unwavering, and our HR policies are focused on attracting, developing and retaining diverse talent. Our Equal Opportunity policy outlines our commitment to embracing diversity in the broadest possible sense, encompassing gender, ethnicity, age, sexual orientation, and disability. Our overall gender representation in the executive workforce stands at 28%, while gender representation in leadership roles is 30%.

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Internal Controls Systems

USL has implemented an extensive programme of internal and external audits, supported by periodic management reviews, to ensure strict adherence to best practices. The Board provides oversight monitoring, further strengthening the Company’s internal control environment. Our management has conducted a thorough assessment, and has confirmed that internal controls over financial

reporting are operating effectively by following the required procedures. Additionally, regular reviews of the control framework enable the identification and timely resolution of any issues, thereby minimising risks and enhancing the overall operational efficiency.

We have in place a robust internal control system aligned with the nature, size and complexity of our operations. Stringent and comprehensive controls have been implemented to ensure:

- Efficient and effective use of resources.
- Compliance with applicable laws, regulations, and statutes.
- Safeguarding of assets and interests.
- Proper approval, registration and reporting of transactions.
- Reliability and consistency of accounting data.

Cautionary Statement

This document contains ‘forward-looking’ statements. These statements can be identified by the fact that they do not relate only to historical or current facts. In particular, forward-looking statements include all statements that express forecasts, expectations, plans, outlook and projections with respect to future matters, including trends in results of operations, margins, growth rates, overall market trends, the impact of changes in interest or exchange rates, the availability or cost of financing to USL, anticipated cost savings or synergies, expected investments, the completion of USL’s strategic transactions and restructuring programmes, anticipated tax rates, expected cash payments, outcomes of litigation, anticipated deficit reductions in relation to pension schemes, and general economic conditions. By their nature, forward-looking statements involve risks and uncertainties as they relate to future events and contingent circumstances. There are several factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including factors that are outside USL’s control. USL neither intends to, nor assumes any obligation to update or revise these forward-looking statements in the light of any developments which may differ from those anticipated.

Corporate Governance Report

1. Company’s philosophy on code of corporate governance

We believe in governance that supports not only the Company but also the value of the shareholders and Company’s stakeholders. The path we have set out will be holistic and based on practices which helps achieve the Company’s goals in an ethical, compliant, and professional manner.

2. Board of Directors

2.1 The Board composition is in conformity with the applicable provisions of the Companies Act, 2013 (‘the Act’) and Securities and Exchange Board of India (‘SEBI’) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) as amended from time to time.

2.2 As on the date of this report, Composition of the Board of Directors of the Company is as follows:

Category	Number of Directors
i) Non-Independent Directors	
Managing Director	1
Executive Director	1
Non-executive Directors	2
ii) Independent Directors (including the Chairperson and a woman director)	4
Total Strength (i + ii)	8

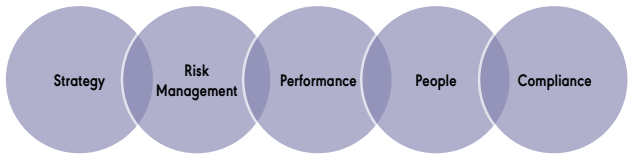
2.3 In the opinion of the Board, the Independent Directors fulfilled the conditions specified in Listing Regulations and are independent of the management. None of the Directors are inter-se related to each other. Mr. D Sivanandhan and Mr. Rajeev Gupta resigned (effective close of business hours on 31st July 2024) before expiry of their term during the financial year as new Independent Directors were inducted as a transition since 1st March 2024. Their second term was otherwise ending in September 2024 and December 2024 respectively. The Independent Directors confirm that there were no other material reasons other than those provided.

2.4 None of the Directors hold directorship in more than 10 public companies or serve as director or independent director in

more than seven listed companies. Further, none of them is a member of more than 10 committees or Chairperson of more than five committees across all public companies in which he/she is a director as provided in Regulation 26(1) of Listing Regulations.

2.5 Your Company has a balanced mix of executive, non-executive and Independent Directors from diverse backgrounds, which enables the Board to discharge its duties and responsibilities in an effective manner.

The Board has set the following yardsticks in the context of its business and for its effective functioning:



Strategy: Directors help develop proposals on strategy;

Risk Management: Ensuring that integrity of financial information is maintained and that the financial controls and systems of risk management are robust;

Performance: Directors review and monitor the performance of management in terms of agreed goals and objectives;

People: Directors play a prime role in determining appropriate levels of remuneration of Executive Directors, Key Managerial Personnel and senior management and in appointing/retaining Executive Directors, Key Managerial Personnel and senior management and in succession planning;

Compliance: Maintain checks over the governance, and compliance with the applicable legislation and regulations and the conformity of the Company’s practices to accepted governance norms.

The directors’ strive to achieve the above through insights obtained from a combination of experience and expertise in their respective areas such as FMCG sector, legal, finance, administration, technical knowledge and global exposure.

Corporate Governance Report (Continued)

2.6 Attendance of each Director at the Board Meetings and at the last Annual General Meeting (AGM) and details of the number of outside directorships and committee positions held by each of the Directors as on 31st March 2025 are given below:

Name of the director and category	Director Identification Number (DIN)	No. of Board Meetings attended during the financial year	Attendance at last AGM held on 31 st Jul 2024	No. of directorships in other unlisted public and listed companies as on 31 st Mar 2025*	No. of committees (other than the Company)		Directorships in other listed companies and category of directorship
					Chairperson	Member	
Mr. Mahendra Kumar Sharma (Independent Non-Executive Director and Chairperson) ¹	00327684	9	Yes	Nil	Nil	Nil	Nil
Ms. Hina Nagarajan (Managing Director and Chief Executive Officer) ²	00048506	9	Yes	Nil	Nil	Nil	Nil
Mr. Pradeep Jain (Executive Director and Chief Financial Officer)	02110401	9	Yes	Nil	Nil	Nil	Nil
Mr. V K Viswanathan (Independent Non-Executive Director) ³	01782934	10	Yes	Nil	Nil	Nil	Nil
Dr. Indu Shahani (Independent Non-Executive Director) ⁴	00112289	5	Yes	-	-	-	-
Mr. D Sivanandhan (Independent Non-Executive Director) ⁵	03607203	4	Yes	-	-	-	-
Mr. Rajeev Gupta (Independent Non-Executive Director) ⁶	00241501	1	No	-	-	-	-
Ms. Mamta Sundara (Non-Executive Director) ⁷	05356182	4	No	-	-	-	-
Mr. Mark Sandys (Non-Executive Director)	09543864	7	No	Nil	Nil	Nil	Nil
Ms. Emily Kathryn Gibson (Non-Executive Director) ⁸	10294270	5	No	-	-	-	-
Dr. Indu Bhushan (Independent Non-Executive Director)	09302960	10	Yes	7	2	4	a) Godrej Properties Limited (Independent Director) b) Balrampur Chini Mills (Independent Director) c) Colgate- Palmolive (India) Limited (Independent Director)

Corporate Governance Report (Continued)

							d) ITC Hotels Limited (Independent Director)
Mr. Mukesh Hari Butani (Independent Non- Executive Director)	01452839	10	Yes	5	5	6	a) Dabur India Limited (Independent Director) b) Hitachi Energy India Limited (Independent Director) c) Latent View Analytics Limited (Independent Director) d) Bata India Limited (Independent Director)
Ms. Amrita Gangotra (Independent Non- Executive Director) ⁹	08333492	6	NA	4	2	5	a) Triveni Turbine Limited (Independent Director) b) Max Healthcare Institute Limited (Independent Director) c) Sterlite Technologies Limited (Independent Director)
Ms. Preeti Arora (Non-Executive Director) ¹⁰	10768374	4	NA	NIL	NIL	NIL	NIL

1. Ceased to be Chairperson and Non-Executive Director from end of business hours on 31st March 2025

2. Resigned as Managing Director and Chief Executive Officer from end of day of 31st March 2025

3. Appointed as Chairperson of Board and of the Company with effect from 1st April 2025

4. Ceased to be Non-Executive Independent Director from end of business hours on 29th September 2024

5. Resigned as Non-Executive Independent Director from close of business hours on 31st July 2024.

6. Resigned as Non-Executive Independent Director from close of business hours on 31st July 2024.

7. Resigned as Non-Executive Non-Independent Director from end of business hours on 30th September 2024

8. Resigned as Non-Executive Non-Independent Director from end of business hours on 31st October 2024

9. Appointed as Non-Executive Independent Director with effect from 1st September 2024

10. Appointed as Non-Executive Non-Independent Director with effect from 1st October 2024

* Excluding Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships.

* NA - Not Applicable

Note:

- Directorships mentioned above is excluding their directorship in United Spirits Limited
- In the committee details provided, every chairpersonship is also considered as a membership.
- The above details are in respect of their directorships only in Indian companies and committee memberships and chairpersonships in Audit Committee and Stakeholders Relationship Committee in terms of Regulation 26(1) of the Listing Regulations. The last column consists of listed Indian companies only in terms of Regulation 17A of the Listing Regulations.

Corporate Governance Report (Continued)

2.7 During the financial year under review, ten Board meetings were held and the gap between any two Board Meetings did not exceed 120 days. The details of the meeting attendance is provided below.

	1	2	3	4	5	6	7	8	9	10	% of
Name of Director and Category	4 Apr 2024	23 Apr 2024	24 May 2024	23 Jul 2024	5 Sept 2024	23 Oct 2024	28 Oct 2024	13 Jan 2025	23 Jan 2025	27 Mar 2025	Meeting attended during the year
Mr. Mahendra Kumar Sharma ¹ (Independent Director and Chairperson)	LOA	✓	✓	✓	✓	✓	✓	✓	✓	✓	90%
Ms. Hina Nagarajan ² (Managing Director and Chief Executive Officer)	✓	✓	✓	✓	✓	✓	✓	LOA	✓	✓	90%
Mr. Pradeep Jain (Executive Director and Chief Financial Officer)	✓	✓	✓	✓	LOA	✓	✓	✓	✓	✓	90%
Mr. V K Viswanathan ³ (Independent Director)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
Dr. Indu Shahani ⁴ (Independent Director)	✓	✓	✓	✓	✓	NA	NA	NA	NA	NA	100%
Mr. D Sivanandhan ⁵ (Independent Director)	✓	✓	✓	✓	NA	NA	NA	NA	NA	NA	100%
Mr. Rajeev Gupta ⁶ (Independent Director)	LOA	✓	LOA	LOA	NA	NA	NA	NA	NA	NA	25%
Ms. Mamta Sundara ⁷ (Non-Executive Director)	✓	✓	LOA	✓	✓	NA	NA	NA	NA	NA	80%
Mr. Mark Sandys (Non-Executive Director)	LOA	✓	✓	✓	✓	✓	LOA	✓	✓	LOA	70%
Ms. Emily Kathryn Gibson ⁸ (Non-Executive Director)	✓	✓	✓	✓	✓	LOA	LOA	NA	NA	NA	71%
Dr. Indu Bhushan (Independent Director)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
Mr. Mukesh Hari Butani (Independent Director)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
Ms. Amrita Gangotra ⁹ (Independent Director)	NA	NA	NA	NA	✓	✓	✓	✓	✓	✓	100%
Ms. Preeti Arora ¹⁰ (Non-Executive Director)	NA	NA	NA	NA	NA	✓	LOA	✓	✓	✓	80%

1. Ceased to be Chairperson and Non-Executive Director from end of business hours on 31st March 2025

2. Resigned as Managing Director and Chief Executive Officer from end of day of 31st March 2025

3. Appointed as Chairperson of Board and of the Company with effect from 1st April 2025

4. Ceased to be Non-Executive Independent Director from end of business hours on 29th September 2024

5. Resigned as Non-Executive Independent Director from close of business hours on 31st July 2024.

6. Resigned as Non-Executive Independent Director from close of business hours on 31st July 2024.

7. Resigned as Non-Executive Non-Independent Director from end of business hours on 30th September 2024

8. Resigned as Non-Executive Non-Independent Director from end of business hours on 31st October 2024

9. Appointed as Non-Executive Independent Director with effect from 1st September 2024

10. Appointed as Non-Executive Non-Independent Director with effect from 1st October 2024

NA - Not Applicable

LOA - Leave of Absence

Corporate Governance Report (Continued)

2.8 Web link where details of familiarization programs imparted to independent directors is disclosed.

The details of the familiarization programs imparted to the Independent Directors are disclosed on the Company’s website at www.diageoindia.com/~media/Files/D/Diageo-V2/Diageo-India/investors/disclosures-under-regulation-46-of-the-lodr/directors-familiarisation-program-details-13-02-2025.pdf

2.9 Matrix setting out the core Skills /Expertise/ Competence of the Board of Directors

A chart/Matrix setting out the core skills/expertise/competencies identified by the Nomination and Remuneration Committee and the Board in the context of the Company’s business and sectors as required for it to function effectively and those available with the Board along with the name of Directors who have such skills/expertise/competence are given below:

Sl. No.	Skills	Praveen Someshwar	Pradeep Jain	VK Viswanathan	Mukesh Butani	Indu Bhushan	Amrita Gangotra	Preeti Arora	Mark Sandys
1	Operating leadership experience/ Entrepreneurship	✓	✓	✓	✓	✓	✓	✓	✓
2	FMCG/Regulated Industry expertise	✓	✓	✓	✓		✓	✓	✓
3	Corporate governance and Risk Management	✓	✓	✓	✓	✓	✓	✓	✓
4	Financial Management	✓	✓	✓	✓	✓	✓	✓	✓
5	ESG	✓	✓	✓		✓	✓	✓	✓
6	Digital and Technology	✓		✓		✓	✓	✓	✓
7	Public affairs and policy	✓		✓	✓	✓	✓	✓	✓

2.10 Disclosures regarding appointment and re-appointment of directors

The details of appointment/re-appointment of directors are mentioned in point 9 of the Board’s Report pursuant to Regulation 36(3) of Listing Regulations. Brief profile of the director who is being re-appointed is mentioned as part of the 26th AGM Notice.

3. Audit Committee

3.1 During the year under review, the Audit Committee comprised of following directors:

Name of the Director	Designation
Mr. V K Viswanathan (Chairperson)	Independent Director
Mr. Mahendra Kumar Sharma ¹	Independent Director
Mr. Mukesh Hari Butani ²	Independent Director
Ms. Preeti Arora ³	Non-Executive Director
Mr. Rajeev Gupta ⁴	Independent Director

1. Ceased to be a member from end of business hours on 31st March 2025.

2. Appointed as a member effective 1st August 2024

3. Appointed as a member effective 1st November 2024

4. Ceased to be a member from close of business hours on 31st July 2024.

The Company Secretary acts as the secretary to the Audit Committee.

Corporate Governance Report (Continued)

3.2 Pursuant to Regulation 18(3) and Part C of Schedule II of Listing Regulations, the detailed terms of reference of the Audit Committee is available on website of Company at <https://www.diageoindia.com/~media/Files/D/Diageo-V2/Diageo-India/investors/shareholder-centre/policies/2025/audit-committee-charter.pdf>

Key Terms of Reference of the committee are:

- a) Oversight of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient, and credible.
- b) Recommending the appointment, remuneration and terms of appointment and removal of Statutory Auditors.
- c) Review and monitor the auditor’s independence, qualification, expertise, resources, objectivity, independence, performance and effectiveness of the auditors and the audit process.
- d) Approval of payment to the Statutory Auditors for non-audit services rendered by them.
- e) Examination of the financial statement and the auditors’ report thereon.
- f) Scrutiny of inter-corporate loans and investments and other loans and investments if any.
- g) Valuation of undertakings or assets of the Company.
- h) Evaluation of internal financial controls and risk management.
- i) Reviewing with the management, performance of statutory and internal auditors and the adequacy of internal control system, risk management system, control over financial reporting, and propose wording relating to these in the annual financial statements.
- j) Discussion with Statutory Auditors and internal auditors before the audit commences about nature and scope of audit as well as have post-audit discussions to ascertain any area of concern.

k) To review the functioning of the Vigil/Whistle Blower mechanism and extend the applicability to directors also and ensure adequate safeguard against victimization of directors/ employees/any other person who avail the mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate/ exceptional cases.

3.3 The Audit Committee, inter alia, has reviewed the financial statements including Auditors’ Report for the year ended 31st March 2025 and has recommended its adoption. In addition, the Audit Committee has also reviewed the unaudited quarterly financial results for the quarter ended 30th June 2024, quarterly and six months ended 30th September 2024 and quarterly and nine months ended 31st December 2024 (which were subjected to a limited review by the Statutory Auditors of the Company).

3.4 During the financial year under review, six meetings of the Audit Committee were held and the gap between any two Audit Committee Meetings did not exceed 120 days. The details of attendance by members of the Audit Committee are stated below:

Name of Director	1	2	3	4	5	6
	23 & 24 May 2024	22 & 23 July 2024	5 Sept 2024	22 & 23 Oct 2024	22 & 23 Jan 2025	27 Mar 2025
Mr. V K Viswanathan (Chairperson)	✓	✓	✓	✓	✓	✓
Mr. Mahendra Kumar Sharma ¹	✓	✓	✓	✓	✓	✓
Mr. Mukesh Hari Butani ²	NA	NA	✓	✓	✓	✓
Ms. Preeti Arora ³	NA	NA	NA	NA	✓	✓
Mr. Rajeev Gupta ⁴	LOA	✓	NA	NA	NA	NA

1. Ceased to be a member from close of business hours on 31st March 2025

2. Appointed as a member effective 1st August 2024

3. Appointed as a member effective 1st November 2024

4. Ceased to be a member from end of business hours on 31st July 2024.

LOA - Leave of Absence

NA - Not Applicable

Corporate Governance Report (Continued)

4. Nomination and Remuneration Committee

4.1 During the year under review, the Nomination and Remuneration Committee (NRC) comprised of following Directors:

Name of the Director	Designation
Ms. Amrita Gangotra (Chairperson) ¹	Independent Director
Mr. V K Viswanathan	Independent Director
Dr. Indu Bhushan ²	Independent Director
Dr. Indu Shahani ³	Independent Director
Mr. D Sivanandhan ⁴	Independent Director

1. Appointed as a Chairperson and member effective 30th September 2024

2. Appointed as a member effective 1st August 2024

3. Ceased to be a chairperson and member from end of business hours on 29th September 2024

4. Ceased to be a member from close of business hours on 31st July 2024

4.2 Pursuant to Regulation 19(4) and Part D of Schedule II of Listing Regulations, the terms of reference of the NRC is available on website of Company <https://www.diageoindia.com/~media/Files/D/Diageo-V2/Diageo-India/investors/shareholder-centre/policies/2025/nomination-and-remuneration-committee-charter.pdf>

4.3 During the financial year under review, seven meetings were held. The details of attendance by the members of NRC are stated below:

Name of Director	1	2	3	4	5	6	7
	23 Apr 2024	23 May 2024	22 July 2024	05 Sept 2024	13 Jan 2025	22 Jan 2025	27 Mar 2025
Ms. Amrita Gangotra (Chairperson) ¹	NA	NA	NA	NA	✓	✓	✓
Mr. V K Viswanathan	✓	✓	✓	✓	✓	✓	✓
Dr. Indu Bhushan ²	NA	NA	NA	✓	✓	✓	✓
Dr. Indu Shahani ³	✓	✓	✓	✓	NA	NA	NA
Mr. D Sivanandhan ⁴	✓	✓	✓	NA	NA	NA	NA

1. Appointed as a Chairperson and member effective 30th September 2024

2. Appointed as a member effective 1st August 2024

3. Ceased to be a chairperson and member from end of business hours on 29th September 2024

4. Ceased to be a member from close of business hours on 31st July 2024

LOA – Leave of Absence

NA – Not Applicable

Key Terms of Reference of the committee are:

- i. Assist the Board of Directors of the Company to:
 - 1. Determine, review and propose compensation principles and policy of the Company;
 - 2. Assess and review compensation plans recommended by the management;
 - 3. Recommend the compensation packages of the Company’s Executive Directors.
- ii. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board of Directors their appointment and removal and shall carry out evaluation of every director’s performance.
- iii. Approve and recommend matters relating to compensation by way of salary, perquisites, benefits, etc., to the Managing/Whole Time/Executive Directors of the Company.

4.4 Performance Evaluation of Independent Directors

Pursuant to the provisions of the Act and Regulation 34(3) read with Schedule V(C) (4)(d) of the Listing Regulations, the NRC has prescribed performance evaluation criteria for Independent Directors as well as for the non-independent directors, the committees, and the entire Board of Directors. Evaluation was carried out during the financial year for all the Directors and the Committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship and General Committee, Corporate Social Responsibility & Environmental, Social and Governance Committee and Risk Management Committee. The Board of Directors and Committee members appreciated that the evaluation process of the Company was in par with other major corporates and benchmarked the Company with other top corporates in terms of involvement, participation, transparency, objectivity, information made available on time, qualitative comments on improvements and diversity on the Board.

The evaluation of Independent Directors is undertaken by the entire Board of directors including (a) performance of the directors; and (b) fulfillment of the independence criteria as specified in Listing Regulations and their independence from the management. In the above evaluation, the directors who are subject to evaluation did not participate. The results of evaluation showed high level of commitment and engagement of Board, its various committees. The results of the evaluation were shared with the Board, the Chairperson of respective committees and directors. Based on the outcome of the evaluation, the Board and Committees have agreed on an action plan to further improve the effectiveness and functioning of the Board and Committees. The directors expressed their satisfaction with the evaluation process.

5. Stakeholders’ Relationship and General Committee

5.1 During the year under review, the composition of the Stakeholders’ Relationship and General Committee (SRGC) was as under:

Name of the Director	Designation
Ms. Amrita Gangotra (Chairperson) ¹	Independent Director
Mr. Mukesh Hari Butani ²	Independent Director
Mr. Pradeep Jain ³	Executive Director and Chief Financial Officer
Mr. D Sivanandhan ⁴	Independent Director
Dr. Indu Shahani ⁵	Independent Director
Ms. Hina Nagarajan ⁶	Managing Director and Chief Executive Officer

1. Appointed as chairperson and member of the Committee effective 30th September 2024

2. Appointed as member of the Committee effective 30th September 2024

3. Appointed as a member of the Committee effective 1st August 2024

4. Ceased to be a member and chair of the Committee effective end of day 31st July 2024

5. Appointed as Chairperson w.e.f. 1st August 2024. Consequent to her cessation as director she ceased to be member and Chairperson of the Committee on 29th September, 2024

6. Ceased to be a member of the Committee effective end of day 29th September 2024

5.2 Pursuant to Regulation 20 and Part D of Schedule II of Listing Regulations, the terms of reference of the SRGC is available on website of Company <https://www.diageoindia.com/~media/Files/D/Diageo-V2/Diageo-India/investors/shareholder-centre/policies/2025/stakeholders-relationship-and-general-committee-charter.pdf>

Key Terms of Reference of the committee are:

- a. Review the redressal of shareholders’, debenture holders’ and depositors’ or any other security holders’ grievances/ complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of interest warrants, etc., and ensure cordial relation with the Stakeholders.
- b. Review the adherence to service standards relating to the various services rendered by the Company and Company’s Registrars & Transfer Agents.
- c. Review the status of the litigation(s), complaints/suits filed by or against the Company relating to the shares/ fixed deposits, debentures or any other securities of the Company before any Courts/other appropriate authorities, and in particular where directors are implicated or could be made liable.
- d. Review matters relating to transfer of unclaimed and unpaid dividend, matured deposits, interest accrued on the matured deposits, debentures etc., to the Investor Education and Protection Fund as specified under the Companies Act.
- e. Act on such further terms of reference as may be considered necessary and specified by the Board in writing from time to time.
- f. Review service standards and investor service initiatives undertaken by the Company.

5.3 Mr. Mital Sanghvi, Company Secretary is the Compliance Officer of the Company.

Corporate Governance Report (Continued)

5.4 During the financial year under review four meetings were held. The details of attendance by members of the SRGC are as below:

Name of Director	1	2	3	4
	23 May 2024	22 July 2024	22 Oct 2024	22 & 23 Jan 2025
Ms. Amrita Gangotra (Chairperson) ¹	NA	NA	✓	✓
Mr. Mukesh Hari Butani ²	NA	NA	✓	✓
Mr. Pradeep Jain ³	NA	NA	✓	✓
Mr. D Sivanandhan ⁴	✓	✓	NA	NA
Dr. Indu Shahani ⁵	✓	✓	NA	NA
Ms. Hina Nagarajan ⁶	✓	✓	NA	NA

1. Appointed as chairperson and member of the Committee effective 30th September 2024

2. Appointed as member of the Committee effective 30th September 2024

3. Appointed as a member of the Committee effective 1st August 2024

4. Ceased to be a member and chair of the Committee effective close of business hours on 31st July 2024

5. Appointed as Chairperson w.e.f. 1st August 2024. Consequent to her cessation as director she ceased to be member and Chairperson of the Committee on 29th September, 2024

6. Ceased to be a member of the Committee effective end of day on 29th September 2024

LOA – Leave of Absence

NA – Not Applicable

5.5 The Company/Company’s Registrar and Transfer Agents received 22 complaints during the financial year, out of which all 22 were resolved to the satisfaction of shareholders/ investors. As on 31st March 2025 there were no investor complaints unresolved.

Sl. No.	Complaints relating	No. of Complaints Received	No. of Complaints Resolved
1.	Non-receipt of refund order/ allotment letter	Nil	Nil
2.	Non-receipt of Dividend/ Interest on Shares/ Debentures/ Fixed Deposits/ maturity amount on debentures	3	3
3.	Non-receipt of share certificates	1	1
4.	Non-receipt of Report/Rights forms/ Bonus shares/interest on delayed refund/Dividend and Interest	Nil	Nil

Sl. No.	Complaints relating	No. of Complaints Received	No. of Complaints Resolved
5.	Others*	18	18
	Total	22	22

*Includes shareholders complaints relating to the IEPF, unclaimed shares and non-receipt of shares pursuant to mergers etc.

In addition to the above, there are few pending shareholder litigations where the Company is a party.

5.6 Dividend Distribution Policy

Pursuant to Regulation 43A of Listing Regulations the Company has framed a Dividend Distribution Policy which lays out the parameters to be considered while declaring dividend. The said policy is available on the website of the Company at <https://media.diageo.com/diageo-corporate-media/media/lhtflrmb/dividend-policy.pdf>. The parameters for dividend payment as per policy includes dividend payout ratio as well.

6. Risk Management Committee

6.1 During the year under review, the composition of the Risk Management Committee (RMC) was as under:

Name of the Director	Designation
Mr. Praveen Someshwar (Chairperson) ¹	Managing Director and Chief Executive Officer
Mr. Mukesh Hari Butani ²	Independent Director
Dr. Indu Bhushan ³	Independent Director
Mr. Pradeep Jain	Executive Director and Chief Financial Officer
Mr. Mahendra Kumar Sharma ⁴	Independent Director
Mr. V K Viswanathan ⁵	Independent Director
Ms. Hina Nagarajan ⁶	Managing Director and Chief Executive Officer
Ms. Mamta Sundara ⁷	Non-Executive Director

1. Appointed as member and chairperson of the Committee effective 1st April 2025

2. Appointed as member effective 1st November 2024

3. Appointed as member effective 1st November 2024

4. Ceased to be a chairperson and member of the Committee effective end of business hours on 31st March 2025

5. Ceased to be a member of the Committee effective end of the day 31st October 2024

6. Resigned as a member of the Committee effective end of the day 31st March 2025

7. Resigned as a member effective end of business hours on 30th September 2024

Corporate Governance Report (Continued)

6.2 Pursuant to Regulation 21 and Part D of Schedule II of Listing Regulations, the terms of reference of the RMC is available on website of Company at <https://www.diageoindia.com/~media/Files/D/Diageo-V2/Diageo-India/investors/shareholder-centre/policies/2025/risk-management-committee-charter.pdf>

Key terms of reference of the committee are -

- a. To assess risks periodically for the effective execution of business strategy and review the risks associated with business strategy.
- b. To annually review and approve the Risk Management Framework of the Company including risk management processes and practices of the Company and ensure that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.
- c. Review all existing and emerging risks throughout the year and update risk assessments and mitigation plans as necessary so as to ensure the business continuity.
- d. Set the procedures for identifying business risks (including financial risks) and controlling their financial impact on the Company.
- e. To evaluate and ensure that appropriate processes and systems are in place to monitor and report cyber security risks.

6.3 During the financial year under review two meetings were held. The details of attendance by members of the RMC are as below:

Name of the Director	10 Jul 2024	27 Nov 2024
Mr. Praveen Someshwar (Chairperson) ¹	NA	NA
Mr. Mukesh Hari Butani ²	NA	✓
Dr. Indu Bhushan ³	NA	✓
Mr. Pradeep Jain	✓	✓
Mr. Mahendra Kumar Sharma ⁴	✓	✓
Mr. V K Viswanathan ⁵	✓	NA
Ms. Hina Nagarajan ⁶	✓	✓
Ms. Mamta Sundara ⁷	✓	NA

1. Appointed as member and chairperson of the Committee effective 1st April 2025

2. Appointed as member effective 1st November 2024

3. Appointed as member effective 1st November 2024

4. Ceased to be a chairperson and member of the Committee effective end of business hours on 31st March 2025

5. Ceased to be a member of the Committee effective end of the day 31st October 2024

6. Resigned as a member of the Committee effective end of the day 31st March 2025

7. Resigned as a member effective end of business hours on 30th September 2024

LOA – Leave of Absence

NA – Not Applicable

7. Corporate Social Responsibility and Environment, Social and Governance Committee

7.1 During the year under review, the composition of Corporate Social Responsibility and Environment, Social and Governance Committee (CSR & ESG) is as under:

Name of the Director	Designation
Dr. Indu Bhushan (Chairperson) ¹	Independent Director
Mr. Mark Dominic Sandys	Non-Executive Director
Mr. Praveen Someshwar ²	Managing Director and Chief Executive Officer
Dr. Indu Shahani ³	Independent Director
Mr. D Sivanandhan ⁴	Independent Director
Ms. Emily Kathryn Gibson ⁵	Non-Executive Director
Ms. Hina Nagarajan ⁶	Managing Director and Chief Executive Officer

1. Appointed as member and chairperson of the Committee effective 30th September 2024

2. Appointed as member of the Committee effective 1st April 2025

3. Ceased to be a member & chair of the Committee effective end of business hours on 29th September 2024

4. Ceased to be a member of the Committee effective end of business hours on 31st July 2024

5. Resigned as a member effective end of business hours on 31st October 2024

6. Resigned as a member of the Committee effective end of business hours on 31st March 2025

7.2 During the financial year under review, four meetings were held. The details of attendance by members of the CSR & ESG Committee are as below:

Name of Director	1	2	3	4
	23 May 2024	22 Jul 2024	22 Oct 2024	22 Jan 2025
Dr. Indu Bhushan (Chairperson) ¹	NA	NA	✓	✓
Mr. Mark Dominic Sandys	✓	✓	✓	✓
Mr. Praveen Someshwar ²	NA	NA	NA	NA
Dr. Indu Shahani ³	✓	✓	NA	NA
Mr. D Sivanandhan ⁴	✓	✓	NA	NA

Corporate Governance Report (Continued)

Name of Director	1	2	3	4
	23 May 2024	22 Jul 2024	22 Oct 2024	22 Jan 2025
Ms. Emily Kathryn Gibson ⁵	✓	✓	LOA	NA
Ms. Hina Nagarajan ⁶	✓	✓	✓	✓

1. Appointed as member and chairperson of the Committee effective 30th September 2024

2. Appointed as member of the Committee effective 1st April 2025

3. Ceased to be a member & chair of the Committee effective end of business hours on 29th September 2024

4. Ceased to be a member of the Committee effective close of business hours on 31st July 2024

5. Resigned as a member effective end of business hours on 31st October 2024

6. Resigned as a member of the Committee effective end of day 31st March 2025

NA - Not Applicable

LOA Leave of Absence

7.3 The CSR Report of the Company for the year ended 31st March 2025 has been approved by the Board and provided in Annexure - 6 as part of the Board's Report. The copy of your Company's CSR policy is available on the Company's website at https://media.diageo.com/diageo-corporate-media/media/xu4kqzob/corporate-social-responsibility-policy_01april2021.pdf

The terms of reference of the CSR committee is available on website of Company at: <https://www.diageoindia.com/~media/Files/D/Diageo-V2/Diageo-India/investors/shareholder-centre/policies/2025/csr-and-esg-charter.pdf>

8. Committee of Directors

The Board has constituted Committee of Directors ('COD') which was formed inter-alia to deal with non-core assets of the Company.

8.1 During the year under review, composition of the Committee of Directors (CoD) was as under:

Name of the Director	Designation
Mr. V K Viswanathan (Chairperson) ¹	Independent Director
Ms. Preeti Arora ²	Non-Executive Director
Mr. Mahendra Kumar Sharma ³	Independent Director
Mr. Rajeev Gupta ⁴	Independent Director

1. Appointed as chairperson of the Committee effective 1st April 2025

2. Appointed as member of the Committee effective 1st November 2024

3. Ceased to be a chairperson and member of the Committee effective end of business hours on 31st March 2025

4. Ceased to be a member of the Committee effective end of the business hours on 31st July 2024

8.2 During the financial year under review one meeting was held. The details of attendance by members of the CoD are as below:

Name of the Director	22 Jan 2025
Mr. V K Viswanathan (Chairperson) ¹	✓
Ms. Preeti Arora ²	✓
Mr. Mahendra Kumar Sharma ³	✓
Mr. Rajeev Gupta ⁴	NA

1. Appointed as chairperson of the Committee effective 1st April 2025

2. Appointed as member of the Committee effective 1st November 2024

3. Ceased to be a chairperson and member of the Committee from end of business hours on end of the day 31st March 2025

4. Ceased to be a member of the Committee effective close of business hours on 31st July 2024

NA - Not Applicable

LOA Leave of Absence

Corporate Governance Report (Continued)

9. Remuneration of Directors

The details of remuneration paid to the directors during the financial year 1st April 2024 to 31st March 2025 are given below:

A. Executive Directors

Remuneration to Managing Director, Whole-time Directors and/or Manager:

		(Amount in ₹)	
Sl. No.	Particulars of Remuneration	Hina Nagarajan, Managing Director and Chief Executive Officer	Pradeep Jain, Chief Financial Officer and Executive Director
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	27,22,24,735	4,27,60,304
2	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	47,29,636	30,52,339
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
3	Stock Options/other stock (Diageo options) related compensation	2,69,53,275	9,16,082
4	Sweat Equity		
5	Commission - as % of profit		
	Others - Specify		
6	Others		
	Total	30,39,07,646	4,67,28,725

Mr. Praveen Someshwar was appointed as CEO Designate of the Company effective 1st March 2025 and was appointed as Managing Director and Chief Executive Officer effective 1st April 2025. During this period, Mr. Praveen Someshwar, CEO Designate was paid remuneration of ₹ 1,69,04,372.

Ms. Hina Nagarajan resigned as Managing Director and Chief Executive Director effective end of day 31st March 2025 consequent to her transition into another Executive role in Diageo group.

Notes:

- i) The gross remuneration shown above does not include employer's contribution to various retirement funds and premium paid for life insurance and health insurance.
- ii) Services of Ms. Hina Nagarajan & Mr. Praveen Someshwar may be terminated by them, giving six months' notice and can be terminated by the Company with twelve months' notice (or salary in lieu of such notice). Services of Mr. Pradeep Jain may be terminated by him, giving six months' notice, and can be terminated by the Company with six months' notice (or salary in lieu of such

notice). There is no separate provision for payment of severance pay.

- iii) Ms. Hina Nagarajan, Mr. Praveen Someshwar and Mr. Pradeep Jain were/are entitled to the Long-Term Incentives (LTI's) which include Stock appreciation Rights (SARs) as per the Company's plan and also other LTI's of Diageo PLC. The actual value of the SAR's and other LTI's will depend on the respective share price on the vesting date.

B. Independent Directors

- i. Sitting Fees have been paid to Independent Directors for attending Board / Committee Meetings as specified in the table below for financial year 2024-25. They are also entitled to reimbursement of actual travel expenses, boarding and lodging, conveyance and incidental expenses incurred for attending such meetings in accordance with the Board approved policies for such reimbursements. Other than the sitting fees, reimbursement of expenses and as commission as explained below, no other remuneration was paid. No securities / convertible instruments were issued or allotted to any of the non-executive directors during the financial year 2024-25.

Corporate Governance Report (Continued)

- ii.

Independent Directors are also eligible for commission as approved by the Board of Directors every year subject to the aggregate remuneration not exceeding 1% of the net profits of the Company in any financial year (computed in the manner provided in section 198 of the Act) or in aggregate not exceeding ₹ 4,00,00,000 (Rupees four crore only), whichever is less. Such commission is determined based on the recommendation of the Nomination and Remuneration Committee and as approved by the Board of Directors. The details
- of commission are specified in the table below for financial year 2024-25.
- iii.

Presently, the Company is not paying any remuneration to non-executive directors other than the Independent Directors. The criteria for making payments to Independent Directors is provided in point 9H of the Boards report.
- iv.

There are no pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity during the financial year
- v.

Details of sitting fees paid and commission to the Independent Directors approved by the Board of Directors for the financial year 2024-25 is given below:

(Amount in ₹)			
Name of the Independent Director	Sitting fees	Commission	Total Remuneration
Mr. V K Viswanathan	15,25,000	46,30,000	61,55,000
Dr. (Mr.) Indu Bhushan	11,75,000	39,20,000	50,95,000
Mr. Mukesh Hari Butani	12,75,000	37,80,000	50,55,000
Ms. Amrita Gangotra ¹	7,25,000	24,20,000	31,45,000
Mr. Mahendra Kumar Sharma ²	12,75,000	53,80,000	66,55,000
Mr. D Sivanandhan ³	5,75,000	13,50,000	19,25,000
Mr. Rajeev Gupta ⁴	1,50,000	12,90,000	14,40,000
Dr. Indu Shahani ⁵	7,00,000	23,00,000	30,00,000
Total	74,00,000	2,50,70,000	3,24,70,000

1. Appointed as Non-Executive Independent Director with effect from 1st September 2024

2. Ceased to be Non-Executive Independent Director from end of business hours on of 31st March 2025

3. Resigned as Non-Executive Independent Director from close of business hours on 31st July 2024

4. Resigned as Non-Executive Independent Director from close of business hours on 31st July 2024

5. Ceased to be Non-Executive Independent Director from end of business hours on 29th September 2024

C. Particulars of equity shares of the Company currently held by Directors:

As on the date of this Report no director holds equity shares of the Company.

Corporate Governance Report (Continued)

10. Particulars of Senior Management

10.1 As on 31st March 2025, following are the employees who are identified as senior management of the Company

Sr No.	Name of the senior management personnel	Designation
1.	Mr. Ashok Arora	VP - Supply Finance
2.	Mr. Devashish Dasgupta	Corporate Relations Director
3.	Mr. Diwakar Vij	VP - Commercial Finance
4.	Mr. Jagbir S Sidhu	Chief Commercial Officer
5.	Mr. Jitendra Mahajan	Chief Supply and Sustainability Officer
6.	Mr. Mahaveer Jain	VP - Head Internal Audit
7.	Mr. Mital Sanghvi*	VP - Treasury & Company Secretary
8.	Mr. Nimish Shah	EVP and Finance Controller
9.	Mr. Nipun Mohanka	VP- Taxation
10.	Ms. Ruchira Jaitley	Chief Marketing Officer
11.	Ms. Shilpa Vaid	Chief HR Officer
12.	Ms. Shobhana Nikam	General Counsel
13.	Ms. Shweta Arora	Senior General Manager - Investor Relations

*Mr. Mital Sanghvi being the Company Secretary is also Key Managerial Personnel of the Company

Note -

1.

The list excludes CFO and CEO since there are already a part of the Board.
2.

Mr. Praveen Someshwar, who was appointed as CEO Designate of the Company from 1st March 2025 was appointed as Managing Director and Chief Executive Officer of the Company effective 1st April 2025

10.2 Changes in the senior management during the financial year -

Sr No.	Name of the senior management personnel	Designation	Effective date of appointment/resignation
1.	Mr. Prathmesh Mishra	Chief Commercial Officer	Resigned effective end of day 30 Jun 2024 pursuant to his new role within Diageo Group
2.	Mr. Jagbir S Sidhu	Corporate Relations Director	Change in role effective 1 Jul 2024.
3.	Mr. Jagbir S Sidhu	Chief Commercial Officer	Appointed effective 1 Jul 2024
4.	Mr. Devashish Dasgupta	Corporate Relations Director	Appointed effective 5 Dec 2024

11. General body meetings:

11.1 The details of the last three AGMs held are furnished below:

Financial year ended	Date	Time	Venue
31 Mar 2024	31 Jul 2024	3.30 p.m.	Through Video Conferencing/Other Audio Visual Means
31 Mar 2023	31 Jul 2023	3.30 p.m.	Through Video Conferencing/Other Audio Visual Means
31 Mar 2022	9 Aug 2022	3.30 p.m.	Through Video Conferencing/Other Audio Visual Means

Corporate Governance Report (Continued)

11.2 The Special Resolutions passed by the shareholders at the past three AGMs are summarized below:

AGM held on	Subject matter of the Special Resolution	
31 Jul 2024	Appointment of Ms. Amrita Gangotra (DIN: 08333492) as an Independent Director of the Company.	
31 Jul 2023	No Special Resolution was passed	
9 Aug 2022	(i)	Payment of Commission to Independent Directors and Non- Executive Directors.
	(ii)	Approval under Section 180(1)(a) of the Companies Act, 2013 for: (i) slump sale of the entire business undertaking associated with 32 brands of the Company in the ‘Popular’ segment to Inbrew Beverages Private Limited (“Inbrew”); and (ii) grant of franchise in relation to 11 other brands of the Company in the ‘Popular’ segment to Inbrew for a period of five years, with an option for Inbrew, subject to certain specified conditions, (a) to convert the fixed term franchise arrangement into a franchise arrangement with perpetual right to use, and / or (b) to acquire such brands

All the special resolutions set out in the Notices of AGM in respect of the above subject matter were passed by the shareholders with requisite majority.

11.3 Postal ballot & Extraordinary General Meeting (EGM)

The Company did not pass any resolutions through Postal Ballot at the aforementioned AGMs, where such resolutions were required under the provisions of the Act and the applicable rules. No EGM was conducted during the financial year. The Company had appointed Mr. Sudhir V Hulyalkar, Company Secretary in Practice (CP - 6137) to act as the Scrutinizer, for conducting the Postal Ballot process, in a fair and transparent manner.

The Company has passed following resolutions through Postal Ballots during the financial year:

(i)

Sr. No.	Type of Resolution	Subject Matter	Date of passing resolution
1.	Special	Appointment of Dr. Indu Bhushan (DIN: 09302960) as an Independent Director of the Company*	11 Apr 2024
2.	Special	Appointment of Mr. Mukesh Hari Butani (DIN: 01452839) as an Independent Director of the Company#	11 Apr 2024

The cut-off date was 08th March 2024. The remote e-voting started on 13th March 2024 at 9.00 a.m. (IST) and ended on 11th April 2024 at 5.00 p.m. (IST). Mr. Sudhir V Hulyalkar submitted scrutinizer report on 12th April 2024 and the results were declared on 12th April 2024. The resolutions were passed with requisite majority. The voting details of special resolution passed is as follows:

Sr. No.	Votes in favor			Votes against			Invalid votes
	No. of Members	No of Shares	%	No. of Members	No. of Shares	%	No of Shares
1	1483	60,55,74,641	99.80	92	12,30,724	0.20	550
2	1415	59,61,67,987	98.25	160	1,06,37,477	1.75	550

(ii)

Sr. No.	Type of Resolution	Subject Matter	Date of passing resolution
1.	Ordinary	Appointment of Ms. Preeti Arora (DIN: 10768374) as a Director (Non- Executive Non-Independent Director) of the Company	18 Dec 2024

The cut-off date was 08th November 2024. The remote e-voting started on 19th November 2024 at 9.00 a.m. (IST) and ended on 18th December 2024 at 5.00 p.m. (IST). Mr. Sudhir V Hulyalkar submitted scrutinizer report on 19th December 2024 and the results were declared on 19th December 2024. The resolution was passed with requisite majority.

Corporate Governance Report (Continued)

Procedure for postal ballot: The postal ballot was carried out as per pursuant to section 108 and 110 of the Companies Act, 2013 (including any statutory modifications or re- enactment thereof for time being in force) (‘the Act’), read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 as amended (‘the Rules’) and in accordance with the guidelines as prescribed by the Ministry of Corporate Affairs (‘MCA’) for holding of general meeting/postal ballot process through e-voting vide the General Circular No. 09/2024 dated 19th September 2024 and other applicable circulars issued by the Ministry of Corporate Affairs (‘MCA Circulars’), Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 3rd October 2024 issued by Securities and Exchange Board of India (‘SEBI’) and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (‘LODR Regulations’), Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India (‘SS-2’) and other applicable provisions of the Act, Rules, Circulars and Notifications issued thereunder (including any statutory modifications or re-enactment thereof for the time being in force and as amended from time to time)

12. Means of Communication:

- a. The quarterly results are sent to all the stock exchanges where the shares of the Company are listed. The results are normally published in “Business Standard” (English Daily) and “Prajavani” (Kannada Daily). The results are displayed on the Company’s website at <https://www.diageoindia.com/en/investors/financials/results-reports-and-presentations>. Press Releases which were issued are also displayed on the Company’s website. In addition, presentations made to analysts or investors are also made available on the Company’s website.
- b. The required disclosures as per the applicable laws including financial results were sent to the Stock Exchanges.
- c. The Company has designated an exclusive email address, i.e., Investor.India@diageo.com to enable investors to post their grievances and monitor redressal.

13. General Shareholder Information:

A)	Corporate Identification Number	L01551KA1999PLC024991
B)	AGM Date, Time and Venue	29 th August 2025, 3.30 p.m. (IST) through video conference
C)	Financial year	1 st April to 31 st March
	Tentative Board Meeting calendar:	
	First Quarterly Results	13 th August 2025
	Second Quarterly Results	30 th October 2025
	Third Quarterly Results	21 st January 2026
	Audited yearly Financial Results	14 th May 2026
	In addition, Board may also meet on other dates for transacting other urgent business or due to any specific requirements.	
D)	Cut-off date of E-Voting purpose	22 nd August 2025
E)	Dividend payment date	on or after 4 th September 2025
F)	Listing on Stock Exchanges	The shares of the Company are listed on the following Stock Exchanges: (i) BSE Limited - Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001 (ii) The National Stock Exchange of India Limited- Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051. The applicable listing fees has been paid to the Stock Exchanges before the due date.
G)	ISIN No.	INE854D01024
H)	Registrars and Transfer Agents (RTA)	Integrated Registry Management Services Private Limited, 30, Ramana Residency, 4 th Cross, Sampige Road, Malleswaram, Bengaluru – 560 003, Tel. Nos. (080) 2346 0815 to 818, Fax No. (080) 23460819

Corporate Governance Report (Continued)

I)	Share Transfer System	The power to approve transmission/transposition/consolidation/sub-division, etc., is delegated to Stakeholders Relationship and General Committee of Directors. The requirements under the Listing Regulations, and other statutory regulations in this regard are being followed. Company's RTA also keeps records of such transfer/ transmission of shares. Mandatory KYC updation by members holding physical securities SEBI, mandates holders of physical securities to furnish PAN and other KYC, Contact, Bank Account details and specimen signature for their corresponding Folio numbers in order to avail any investor service. Further, effective 1st April 2024, Physical members whose folios are not updated with any of aforesaid KYC details, shall be eligible to get dividend in electronic mode, only after furnishing their KYC details. Therefore, subject to approval at the AGM, payment of final dividend to above-mentioned members, shall be withheld by the Company and shall be released on KYC updation. Accordingly, members are requested to complete their KYC by writing to the Company's RTA viz., Integrated Registry Management Services Private Limited, at bglsta@integratedindia.in. Forms for updation are available at https://www.diageoindia.com/en/investors/shareholder-centre/downloads		
J)	Distribution of Shareholding	As per Annexure A		
K)	Dematerialisation of shares (as on 31 st March 2025)	Particulars	No. of holders	Shares
		Physical	5,488	29,29,445
		NSDL	99,749	67,53,63,381
		CDSL	159,760	4,90,58,027
		TOTAL	264,997	72,73,50,853
L)	Outstanding GDRs/ADRs/Warrants or any other Convertible Instruments	NIL		
M)	Commodity price risk or foreign exchange risk and hedging activities:	During the year under review, no hedging activities on any commodity were carried out by the Company. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/PoD2/CIR/P/0155 dated 11 th November 2024		
N)	Plant locations – owned manufacturing units (operational)	1.	Alwar (Rajasthan)	
		2.	Asansol (West Bengal)	
		3.	Aurangabad (Maharashtra)	
		4.	Baramati (Maharashtra)	
		5.	Nashik (Maharashtra)	
		6.	Nimapara (Orissa)	
		7.	Hyderabad I (Nacharam, Telangana)	
		8.	Hyderabad II (Malkajgiri, Telangana)	
		9.	Kumbalgodu (Karnataka)	
		10.	Ponda (Goa)	
		11.	Nanded (Maharashtra)	

Corporate Governance Report (Continued)

O)	Address for correspondence	Shareholder correspondence should be addressed to the Company's Registrars and Transfer Agents: Integrated Registry Management Services Private Ltd. 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bengaluru – 560 003. Tel. Nos. (080) 2346 0815 to 818, Fax No. (080) 2346 0819, Email: bglsta@integratedindia.in Investors may also write to investor.india@diageo.com or contact Company Secretary or Assistant Company Secretary at the Registered Office of the Company at UB Tower, #24, Vittal Mallya Road, Bengaluru – 560 001 Tel. Nos. +91 8022210705, Fax No. (080) 2224 5253
P)	Credit Ratings	During the year, CRISIL Ratings has re-affirmed the rating on the long-term bank facilities at “AAA/Stable” and re-assigned the short-term rating at “A1+”.
Q)	Email for investor grievances	In compliance with the provisions of Regulation 46(2)(j) of the Listing Regulations, an exclusive email address, Investor.India@diageo.com has been designated for registering Investor complaints, which is also on the Company's website at www.diageoindia.com

14. Disclosures:

14.1 There are no material significant related party transactions entered into by the Company with promoters, directors, subsidiaries, key managerial personnel, relatives or other designated persons which may have a conflict of interest with the Company at large.

14.2 There have been no instances of rejection by the Board for any recommendations by the Board Committees during this financial year.

14.3 For the past three financial years viz., from 1st April 2022 to 31st March 2025, the Company has complied with the statutory requirements comprised in the Listing Regulations/ Guidelines/Rules of the Stock Exchanges/SEBI/ other statutory authorities and there have been no other instances of material non-compliance by the Company during such financial year nor have any penalties, strictures been imposed by Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets. Please refer to Secretarial Audit Report and Secretarial Compliance Report in **Annexure–3 and 3A**.

14.4 Code of conduct

The Code of Conduct reflects the Company's commitment to principles of integrity, transparency and fairness. The Code is a key guiding document governing the compliance and ethics framework of the Company. It is intended to embody the Company's purpose and values, which sets out the Company's collective as well as individual commitment to conduct business in accordance with those principles, and with all relevant laws,

regulations and industry standards. We hold ourselves to the principles of Code of Business Conduct (our Code), Standards and Policies, which are embedded through a comprehensive trainings and education program for all employees. Our Code enables our employees to make the right choices and demonstrate the highest standards of integrity and ethical behavior. Our Code has also been extended to suppliers, contractors and its subsidiaries.

Know Your Business Partner (KYBP) process covers all Customers and Business partners as part of onboarding process.

In addition to our Code, the compliance programs are also anchored by policies and procedures, prescribed as per the global standards, covering areas such as Countering Corruption Policy (including guidelines on gifting & entertainment), Information Management & Security, Data Privacy & Personal Information, Health Safety & Personal Security, Prevention of Sexual Harassment at Workplace, Dignity at Workplace and Employee Alcohol policy as part of our commitment to responsible drinking. Regular updates are also provided to the senior leadership team on various aspects of the compliance programs, to set the tone from the top and exhibit the management's commitment towards continuous improvement in integrating compliance with the business.

Our Code is available at <https://www.diageoindia.com/en/about-us/corporate-governance>. Our standard code for suppliers “Partnering with Suppliers (PwS)” has been extended to suppliers and contractors of the Company which is available at https://media.diageo.com/diageo-corporate-media/media/4qpjOht0/pws_2024_v3.pdf

Corporate Governance Report (Continued)

All new joiners are required to undertake training on the requirements of our Code within 30 days of joining the employment. Further, all employees are required to complete mandatory e-Learning training module on our Code as part of the annual compliance certification program every year. In addition, during the year virtual trainings on our Code including prevention of sexual harassment at workplace, has also been imparted to all employees including off role employees and all workers (including contractual), in their local languages.

The Company has adopted a Whistle Blower mechanism known as SpeakUp. The compliance complaint can be raised by the employees and anyone acting on behalf of the Company. The Breach management standard is in place to address the compliance complaints, which are perceived to be in violation of our Code. Further, there is an oversight & review of the investigations by Global Business Integrity team, the Compliance Committee and the Grievance Committee. No personnel have been denied access to Audit Committee.

In compliance with Listing Regulations, the Company has adopted a Code of Business Conduct and Ethics (Code) for its Board members and Senior Management Personnel, a copy of which is available on the Company's website at <https://www.diageoindia.com/en/about-us/corporate-governance/speak-up>. All Board members and senior management personnel have affirmed compliance with the code for the year ended 31st March 2025 and a declaration to this effect signed by the MD & CEO forms part of this report.

14.5 Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

14.6 Policy on material subsidiaries

The Company's policy for determining material subsidiaries is available at the Company's website at <https://www.diageoindia.com/~media/Files/D/Diageo-V2/Diageo-India/investors/shareholder-centre/policies/2025/policy-for-determining-material-subsidiaries.pdf>

Policy on Related Party Transactions

In compliance with Regulation 23, the Company has framed policy on Related Party Transactions and the same is uploaded on our website at <https://www.diageoindia.com/~media/Files/D/Diageo-V2/Diageo-India/investors/shareholder-centre/policies/2025/policy-on-related-party-transactions.pdf>

14.7 Disclosure on utilization of proceeds of preferential issue and qualified institutional placement (QIP)

There were no funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) during the financial year.

14.8 Loans and advances:

The Company has not given any loans and advances to firms/ Companies in which directors are interested.

14.9 Disclosure of commodity price risks and commodity hedging activities:

During the under review, no hedging activities on any commodity were carried out by the Company

14.10 Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on 31st March 2025, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

14.11 Declaration from the Directors

All the Directors have submitted a declaration that they are not disqualified under section 164 of the Companies Act, 2013. Mr. Sudhir V Hulyalkar, a Practicing Company Secretary, has submitted a certificate to the effect that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as a director by the SEBI/ Ministry of Corporate Affairs. Copy of the Certificate and Declaration by the Chief Executive Officer pursuant to Listing Regulations, 2015 on compliance with the code of conduct by the Board of Directors and senior management is enclosed as part of corporate governance report.

14.12 Remuneration to Auditors

Remuneration paid to the Statutory Auditors and their network of firms/entities in India during the year by the Company and its subsidiaries on a consolidated basis was ₹ 6.59 crore. Further details on fees to Statutory Auditors are disclosed in the standalone and consolidated financial statements.

14.13 Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company is committed to providing and promoting a safe and healthy work environment for all its employees.

Corporate Governance Report (Continued)

The disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is mentioned in point 27 of the Board's Report.

14.14 Other corporate governance requirements

Regulation 24 of the Listing Regulations with respect to Independent Directors on unlisted material subsidiaries is not applicable since the Company does not have any material subsidiaries. The Company has appointed one of its Independent Directors as an Independent Director in its operational subsidiary as a good governance practice.

Regulation 26 of the Listing Regulations with respect to Directors and Senior Management has been complied with to the extent applicable.

Regulation 27 of the Listing Regulations with respect to Quarterly Compliance report has been complied with.

Regulation 46(2) of the Listing Regulations pertaining to disseminating information on website has been complied with by your Company.

Requirements stipulated under Regulation 17 to 27 read with Schedule V of the Listing Regulations has been complied with by your Company.

Other requirements of Corporate Governance as per the Listing Regulations are disclosed on the Company's website at <https://www.diageoindia.com/investors/> and as applicable have been disclosed elsewhere in this report and Annexures.

15. Depository system

The trading in the equity shares of your Company is under compulsory dematerialization mode. As on 31st March 2025, equity shares representing 99.60% of the equity share capital are in dematerialized form. Shares held in the dematerialised mode have more liquidity than those held in the physical mode. The transfer of shares of the Company by physical means has been barred from 1st April 2019 pursuant to SEBI's Notification dated 3rd December 2018. Therefore, the Company urges shareholders who are holding shares in the physical form to convert their shareholdings to the demat mode. Shareholders who have not registered their email IDs are requested to do so for receiving communications from the Company. Shareholders who are holding shares in physical form can update their email ID by submitting ISR-1 form to the RTA. The form is available on the Company's website <https://www.diageoindia.com/en/investors/shareholder-centre/downloads>

Shareholders who are holding shares in demat form can update their email ID by contacting their Depository Participant only. Pursuant to Part F of Schedule V of the Listing Regulations, the following unclaimed shares were transferred to the demat account titled United Spirits Limited Unclaimed Suspense Account after the Company's Registrars & Transfer Agents sent three reminders to all the shareholders whose shares remained unclaimed. During the year, your Company has released shares from the said suspense account upon receipt of requests from the shareholders and after checking veracity of such shareholder's claims. The details of such release of shares are given below:

Particulars	No. of Shareholders	No. of equity shares held
Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on 01 Apr 2024	2931	15,82,035
Shares added to the Unclaimed Suspense account during this year (Stock split of Undelivered shares)	NIL	NIL
Total Shares	2931	15,82,035
Number of shareholders who approached the Company for transfer of shares from Unclaimed Suspense Account during the year	45	21,054
Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year	45	21,054
Number of Shareholders and shares transferred to IEPF during the year	NIL	NIL
Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on 31 Mar 2025	2886	15,60,981

Voting rights on the above unclaimed shares shall remain frozen until the rightful owner claims the shares

Corporate Governance Report (Continued)

16. Discretionary Requirements

Pursuant to Regulation 27(1) and Part E of Schedule II of Listing Regulations, your Company has complied with the following optional requirement:

Board

Non-Executive Chairperson is entitled to reimbursement of expenses incurred in performing his duties as Chairperson.

Separate posts of Chairperson and the Managing Director or the Chief Executive Officer

The Company has a separate chairperson and Managing Director, CEO ('MD'). The chairperson is a non-executive director and is not related to the MD.

Audit qualifications

The Statutory Auditor has issued an unmodified audit report for the year ended 31st March 2025.

Reporting of internal Auditor

The internal auditor reports directly to the Audit Committee.

17. Disclosure of certain types of agreements binding listed entities disclosed under clause 5A of paragraph A of Part A of Schedule III of these regulations.

There are no agreements existing during the end of the financial year as prescribed under clause 5A of paragraph A of Part A of Schedule III of these regulations.

ANNEXURE A: DISTRIBUTION OF HOLDINGS (AS ON 31st MARCH 2025) Value-wise

Value-wise				
Shareholding of nominal value	Shareholders		Share amount	
₹	Number	% to total	₹	% to total
Upto - 5,000	2,61,665	98.74	5,55,82,286	3.82
5,001 - 10,000	1,378	0.52	1,00,61,066	0.69
10,001 - 20,000	676	0.26	97,28,084	0.67
20,001 - 30,000	252	0.1	62,59,446	0.43
30,001 - 40,000	156	0.06	55,67,258	0.38
40,001 - 50,000	102	0.04	45,93,106	0.32
50,001 - 1,00,000	218	0.08	1,54,00,868	1.06
100,001 and above	550	0.21	1,34,75,09,592	92.63

Snapshot of shareholding as on 31st March 2025 Category-wise

Category	No. of Shares	% of equity Capital
Promoter	41,22,21,410	56.67
Resident Body corporates (including Clearing Members)	1,44,92,267	1.99
Banks/FIS/FII/MF/PF/Trust*/Central/State Government & Insurance Companies	23,62,21,319	32.48
NRI/OCB/FCB/FOREIGN NATIONALS	50,34,108	0.69
Venture Capital	0	0
Resident Individuals	5,93,81,749	8.16
Total	72,73,50,853	100.00

**This include 1,72,95,450 shares (2.38% of equity share capital) held on behalf of USL Benefit Trust, the sole beneficiary of which is United Spirits Limited.*

Corporate Governance Report (Continued)

SHARE CAPITAL HISTORY (SINCE 1999)

31 Mar 1999	■ Company Incorporated ■ Shares on Incorporation - 60 Nos.	
09 Jul 2001	■ Merger with McDowell & Co. Limited ■ Ratio 1:1	■ Issued 5,17,19,968 Shares ■ Pre Issue - 60 Nos : Post Issue - 5,17,20,028 Nos.
29 Mar 2006	■ GDR Issue ■ Issued 87,51,381 Shares	■ Pre Issue - 5,17,20,028 Nos; Post Issue - 6,04,71,409 Nos
06 Nov 2006	■ BGIL* merged with McDowell and Company Limited (Ratio 20:31) ■ (*BGIL - Baramati Grape Industries Limited)	■ Issued 3,37,780 Shares ■ PrPre Issue - 6,04,71,409 Nos; Post Issue - 6,08,09,189 Nos
06 Nov 2006	■ SWDL* merged with McDowell and Company Limited (Ratio 20:7) ■ (*SWDL - Shaw Wallace Distilleries Limited)	■ Issued 2,81,12,971 Shares ■ Pre Issue - 6,08,09,189 Nos; Post Issue - 8,89,22,160 Nos
06 Nov 2006	■ Herberson Limited merged with McDowell and Company Limited ■ Ratio 3:2	■ Issued 31,17,209 Shares ■ Pre Issue - 8,89,22,160 Nos; Post Issue - 9,20,39,369 Nos.
06 Nov 2006	■ TDVL* merged with McDowell and Company Limited (Ratio 4:83) ■ (*TDVL - Triumph Distilleries & Vintners Limited)	■ Issued 20,75,000 Shares ■ Pre Issue - 9,20,39,369 Nos; Post Issue - 9,41,14,369 Nos.
06 Nov 2006	■ UDIL* merged with McDowell and Company Limited (Ratio 100:3) ■ (*UDIL - United Distillers India Limited)	■ Issued 3,60,000 Shares ■ Pre Issue - 9,41,14,369 Nos; Post Issue - 9,44,74,369 Nos.
06 Nov 2006	■ Fractional Shares upon merger ■ Issued 7,561 Shares	■ Pre Issue - 9,44,74,369 Nos; Post Issue - 9,44,81,930 Nos
07 Jul to 08 May	■ FCCB Conversion and Allotment ■ Issued 56,81,326 Shares	■ Pre Issue - 9,44,81,930 Nos; Post Issue - 10,01,63,256 Nos.
24 Jul 2009	■ SWCL* merged with United Spirits Limited (Ratio 17:4) ■ (*SWCL - Shaw Wallace & Company Limited)	■ Issued 77,49,121 Shares ■ Pre Issue - 10,01,63,256 Nos; Post Issue - 10,79,12,377 Nos.
23 Oct 2009	■ QIP Placement ■ Issued 1,76,81,952 Shares	■ Pre Issue - 10,79,12,377 Nos; Post Issue - 12,55,94,329 Nos.
14 Jan 2011	■ BDL* merged with United Spirits Limited (Ratio 55:2) ■ (*BDL - Balaji Distilleries Limited)	■ Issued 55,00,639 Shares ■ Pre Issue - 12,55,94,329 Nos; Post Issue - 13,07,94,968 Nos.
27 May 2013	■ Preferential issue to Diageo Relay B.V. (wholly owned subsidiary of Diageo Plc) ■ Issued 1,45,32,775 Shares	■ Pre Issue - 13,07,94,968 Nos; Post Issue - 14,53,27,743 Nos.
03 Jul 2018	■ Shares Split ■ Ratio 1:5	■ Pre Issue - 14,53,27,743 Nos; Post Issue - 72,66,38,715 Nos.
13 Jan 2023	■ Pioneer Distilleries Ltd merged with United Spirits Ltd. ■ Ratio 47:10	■ Pre issue: 726,638,715 Nos; Post issue: 727,350,853 Nos.

By Order of the Board

Place: Bengaluru
Date : 20th May 2025

V K Viswanathan
DIN: 01782934

Corporate Governance Report (Continued)

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
United Spirits Limited, Bengaluru

I have examined the compliance of conditions of corporate governance, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by United Spirits Limited (the Company) for the year ended on 31st March 2025.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with all the applicable conditions of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Place: Bengaluru
Date: 20th May 2025

SUDHIR VISHNUPANT HULYALKAR
Company Secretary in Practice FCS
No.: 6040, C.P.No. : 6137
Peer Review Certificate No. :
UDIN: F006040G000387113

CERTIFICATE ON DIRECTORS APPOINTMENT AND CONTINUATION ON THE BOARD OF
DIRECTORS OF UNITED SPIRITS LIMITED (the Company)

(In terms of Regulation 34(3) read with Para C, Sub Para 10 (i) of the Schedule V to the Securities Exchange Board of India
(Listing Obligations and Disclosure Requirement) Regulations, 2015)

I have examined the relevant records of the Company and disclosures made by the directors of the Company, relevant information on disqualification and proclaimed offenders as declared by Courts and disseminated on the website of Ministry of Corporate affairs, the Orders and other information available on the website of Securities and Exchange Board of India and the stock exchanges, Reserve Bank of India and information on wilful defaulters as declared by the banks and made available on the web sites of credit information companies registered with the Reserve Bank of India and based on such examination, I hereby certify that none of the directors on the Board of UNITED SPIRITS LIMITED (CIN:L01551KA1999PLC024991)as on 31st March 2025 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, Reserve Bank of India and other statutory authorities.

Place: Bengaluru
Date: 20th May 2025

SUDHIR VISHNUPANT HULYALKAR
Company Secretary in Practice FCS
No.: 6040, C.P.No. : 6137
Peer Review Certificate No.:
UDIN: F006040G000387113

Corporate Governance Report (Continued)

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

In terms of the requirement of Regulation 26(3) read with Schedule V Para D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, code of conduct of the Company has been displayed at the Company’s website www.diageoindia.com. All the members of the Board and the senior management personnel had affirmed compliance with the code for the year ended 31st March 2025.

Place : Bengaluru
Date: 20th May 2025

Praveen Someshwar
Managing Director and
Chief Executive Officer
DIN: 01802656

CEO/CFO CERTIFICATE

To
The Board of Directors, United Spirits Limited

- A. We have reviewed the standalone and consolidated financial statements for the year ended 31st March 2025 and that to the best of our knowledge and belief
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - these statements, together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company’s code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the Auditors and the Audit Committee:

- Significant changes in internal control over financial reporting during the year;
- Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company’s internal control system over financial reporting.

Place: Bengaluru
Date: 20th May 2025

Pradeep Jain
Executive Director and
Chief Financial Officer
DIN: 02110401

Praveen Someshwar
Managing Director and
Chief Executive Officer
DIN: 01802656

Independent Practitioner’s Reasonable Assurance Report on Identified Sustainability Information in United Spirits Limited’s Business Responsibility and Sustainability Report pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of United Spirits Limited

We have undertaken to perform a reasonable assurance engagement for United Spirits Limited (the “Company” or “USL”) vide our Engagement Letter dated February 7, 2025, in respect of the agreed Sustainability Information referred in “Identified Sustainability Information” paragraph below (the “Identified Sustainability Information”) in accordance with the Criteria stated in the “Criteria” paragraph below. The Identified Sustainability Information is included in the Business Responsibility and Sustainability Report (“BRSR”) section in the Annual Report of the Company for the financial year ended March 31, 2025, pursuant to the requirement of Regulation 34(2)(f) of the Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (the “LODR Regulations”). This engagement was conducted by a team comprising assurance practitioners and engineer/ environment expert.

Identified Sustainability Information

The Identified Sustainability Information for the financial year ended March 31, 2025, is summarised in Appendix 1 to this report.

Our reasonable assurance engagement was only with respect to the Identified Sustainability Information included in the BRSR of the Company for the financial year ended March 31, 2025.

Criteria

The criteria used by the Company to prepare the Identified Sustainability Information is the “BRSR Core”, which is a subset of the BRSR, consisting of a set of Key Performance Indicators (“KPIs”)/ metrics under nine Environmental, Social and Governance (“ESG”) attributes, as per the format of BRSR Core specified in Annexure 17A read with the format of BRSR and the guidance note given in Annexure 16 and 17, respectively, of the SEBI Master Circular SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, and the ‘Industry Standards on Reporting of BRSR Core’ issued by SEBI vide circular SEBI/HO/CFD-PoD-1/P/CIR/2024/177 dated December 20, 2024 (collectively referred to as the “SEBI Circulars”).

Management’s Responsibilities

The Company’s Management is responsible for determining the Reporting Boundary of the BRSR, and for selecting or establishing suitable criteria for preparing the Identified Sustainability Information, taking into account applicable laws and regulations including the SEBI Circulars related to reporting on the Identified Sustainability Information, identification of key aspects, engagement with stakeholders, and content, preparation and presentation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes design, implementation, and maintenance of internal control relevant to the preparation of the BRSR, and the measurement of Identified Sustainability Information, which is free from material misstatement, whether due to fraud or error. The Management and the Board of Directors of the Company are also responsible for overseeing the Company’s compliance with the requirements of LODR Regulations and the SEBI Circulars in relation to the BRSR Core.

Inherent Limitations in preparing the Identified Sustainability Information

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. In addition, Greenhouse Gas (“GHG”) quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) and the International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”) issued by the International Ethics Standard Board for Accountants, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Price Waterhouse & Co Chartered Accountants LLP (the “Firm”) applies Standard on Quality Control 1, “Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements”, the International Standard on Quality Management (“ISQM”) 1 “Quality Management for Firms that perform Audits or Reviews of Financials Statements, or Other Assurance or Related Services Engagements” and ISQM 2 “Engagement Quality reviews”, and accordingly maintains a comprehensive

system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Practitioner’s Responsibilities

Our responsibility is to express a reasonable assurance opinion on the Identified Sustainability Information based on the procedures we have performed and the evidence we have obtained.

We conducted our engagement in accordance with the Standard on Sustainability Assurance Engagements (“SSAE”) 3000, “Assurance Engagements on Sustainability Information” and the Standard on Assurance Engagements (“SAE”) 3410, “Assurance Engagements on Greenhouse Gas Statements”, both issued by the Sustainability Reporting Standards Board of the ICAI, and the International Standard on Assurance Engagement (“ISAE”) 3000 (Revised), “Assurance Engagements other than Audits or Reviews of Historical Financial Information” and the ISAE 3410 “Assurance Engagements on Greenhouse Gas Statements”, both issued by the International Auditing and Assurance Standards Board (collectively referred to as “the Standards”).

These Standards require that we plan and perform our engagement to obtain reasonable assurance about whether the Identified Sustainability Information is prepared, in all material respects, in accordance with the Criteria. A reasonable assurance engagement involves assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error and responding to the assessed risks as necessary in the circumstances and evaluating the overall presentation of the Identified Sustainability Information.

The procedures we performed were based on our professional judgement, and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures referred above, we:

- Obtained an understanding of the Identified Sustainability Information and related disclosures.
- Obtained an understanding of the assessment criteria and their suitability for the evaluation and / or measurements of the Identified Sustainability Information.
- Made enquiries of the Company’s Management, including those responsible for Sustainability, Environmental Social Governance (‘ESG’), Human Resources (HR), etc., and those with responsibility for managing the Company’s BRSR
- Obtained an understanding and performed an evaluation of the design of the key systems, processes, and controls for managing, recording and reporting on the Identified Sustainability Information with respect to all USL owned manufacturing sites and owned and leased offices and warehouses within the standalone Reporting Boundary (as mentioned in the BRSR). Further, for select Identified Sustainability Information, in addition to obtaining an understanding and performing evaluation of certain Information Technology General Controls (ITGCs), operating effectiveness of the ITGCs was also tested.
- Based on above understanding and the risks that the Identified Sustainability Information may be materially misstated, determined the nature, timing and extent of further procedures.
- Checked the consolidation for all USL owned manufacturing sites and owned and leased offices and warehouses within the standalone Reporting Boundary (as mentioned in the BRSR) for ensuring the completeness of data being reported.
- Performed substantive testing on a sample basis of the Identified Sustainability Information for all USL owned manufacturing sites and owned and leased offices and warehouses within the standalone Reporting Boundary (as mentioned in the BRSR) to verify that data had been appropriately measured with underlying documents recorded, collated and reported. This included assessing records and performing testing including recalculation of sample data to establish as assurance trail.
- Assessed the level of adherence to the BRSR Core format issued by SEBI and followed by the Company in preparing the BRSR.
- Assessed the BRSR, for detecting, on a test basis, any major anomalies between the information reported in the BRSR on performance with respect to Identified Sustainability Information and relevant source data/ information.

- Where applicable for the Identified Sustainability Information in the BRSR, we have relied on the information in the audited standalone financial statements of the Company for the year ended March 31, 2025 and the underlying books and records.

- Evaluated the reasonableness and appropriateness of significant estimates and judgements made by the Management in the preparation of the Identified Sustainable Information.

- Obtained written representations from the Company’s Management.

Exclusions

Our reasonable assurance scope excludes the following and, therefore, we do not express an opinion on the same:

- Operations of the Company other than the Identified Sustainability Information listed in Appendix 1 to this report.
- Aspects of the BRSR and data/ information (qualitative or quantitative) included in the BRSR other than the Identified Sustainability Information.
- Data and information outside the defined reporting period, i.e., the financial year ended March 31, 2025.
- The statements that describe expression of opinion, belief, aspiration, expectation, aim or future intentions provided by the Company and testing or assessing any forward-looking assertions and/ or data.

Opinion

Based on the procedures performed and the evidence obtained, the Company’s Identified Sustainability Information summarised in Appendix 1 to this report and included in the BRSR, for the financial year ended March 31, 2025, are prepared, in all material respects, in accordance with the Criteria specified in the “Criteria” section of our report.

Emphasis of Matter

We draw attention to the note in Section A (Question no. 13) of the BRSR, which describes the reporting boundary as the Company’s Owned Manufacturing Sites and owned and leased Offices and Warehouses and does not include Third-Party Manufacturing Sites managed by the respective third parties for the reasons stated therein. Our opinion is not modified in respect of this matter.

Restriction on Use

Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of the Company.

This report has been issued at the request of the Board of Directors of the Company to whom it is addressed, solely to enable them to comply with the requirements of the Circulars and LODR Regulations, on reporting Company’s sustainability performance and activities, and for publishing the same as part of the BRSR Report forming part of Company’s Annual Report which will be published on the Company’s website. Our report should not be used for any other purpose or by any person other than the addressees of our report. Price Waterhouse & Co Chartered Accountants LLP does not accept or assume any liability or any duty of care for any other purpose or to any person other than the Company.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E300009

Heman Sabharwal
Partner
Membership Number: 093263
UDIN:

Place: Gurugram
Date: May 20, 2025

Appendix 1

Identified Sustainability Information (BRSR Core Indicators)

S. No.	Principle/ Indicator Reference*	Attribute	Parameters (KPIs) Assured
1.	Principle 6 – E7	Green-house gas (GHG) footprint#	1. Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) 2. Total Scope 2 emissions (Break-up of the GHG (CO2e) into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) 3. GHG Emission Intensity (Scope 1 +2) a) Total Scope 1 and Scope 2 emissions (MT) / Total Revenue from Operations adjusted for PPP b) Total Scope 1 and Scope 2 emissions (MT) / Total Output of Product or Services
2.	Principle 6 – E3 Principle 6 – E4	Water footprint#	1. Total water consumption 2. Water consumption intensity a) Water Intensity per rupee of turnover adjusted for PPP b) Water Intensity in terms of physical output 3. Water Discharge by destination and levels of treatment
3.	Principle 6 – E1	Energy Footprint#	Total Energy Consumed % of energy consumed from renewable sources Energy intensity a) Energy Intensity per rupee of turnover adjusted for PPP b) Energy Intensity in terms of physical output
4.	Principle 6 – E9	Embracing circularity- details related to waste management by the entity#	1. Plastic waste (A) 2. E-waste (B) 3. Bio-medical waste (C) 4. Construction and demolition waste (D) 5. Battery waste (E) 6. Radioactive waste (F) 7. Other Hazardous waste (G) 8. Other Non-hazardous waste generated (H) 9. Total waste generated ((A+B + C + D + E + F + G + H) 10. Waste intensity a) Waste Intensity per rupee of turnover adjusted for PPP b) Waste Intensity in terms of physical output 11. For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations 12. For each category of waste generated, total waste disposed by nature of disposal method
5.	Principle 3 – E1 (c) Principle 3 – E11	Enhancing employee wellbeing and Safety	1. Spending on measures towards well-being of employees and workers- cost incurred as a % of total revenue of the company. 2. Details of safety related incidents for employees and workers (including contract-workforce) a) Number of Permanent Disabilities b) Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) c) No. of fatalities
6.	Principle 5 – E3 (b) Principle 5 – E7	Enabling Gender Diversity in Business	1. Gross wages paid to females as a % of wages paid 2. Complaints on POSH a) Total Complaints on Sexual Harassment (POSH) reported. b) Complaints on POSH as a % of female employees / workers c) Complaints on POSH upheld

S. No.	Principle/ Indicator Reference*	Attribute	Parameters (KPIs) Assured
7.	Principle 8 – E4 Principle 8 – E5	Enabling Inclusive Development	1. Input material sourced from following sources as % of total purchases –Directly sourced from MSMEs/ small producers and from within India. 2. Job creation in smaller towns- wages paid to people employed in smaller towns (permanent or non-permanent/on contract) as % of total wage cost
8.	Principle 9 – E7 Principle 1 – E8	Fairness in Engaging with Customers and Suppliers	1. Instances involving loss/ breach of data of customers as a percentage of total data breaches or cyber security events. 2. Number of days of accounts payable
9.	Principle 1 – E9	Open-ness of business	1. Concentration of purchases & sales done with trading houses, dealers, and related parties a) Purchases from trading houses as % of total purchases b) Number of trading houses where purchases are made from c) Purchases from top 10 trading houses as % of total purchases from trading houses d) Sales to dealers / distributors as % of total sales e) Number of dealers / distributors to whom sales are made f) Sales to top 10 dealers / distributors as % of total sales to dealers / distributors 2. Loans and advances & investments with related parties Share of RPTs (as respective %age) in- a) Purchases b) Sales c) Loans & advances d) Investments

Notes:

*‘E’ denotes Essential Indicator

denotes data reported for USL owned manufacturing sites and owned and leased offices and warehouses

Business Responsibility Sustainability Report

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Section C	Principle wise performance disclosure-	265
Principle 1	Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable	265
Principle 2	Businesses should provide goods and services in a manner that is sustainable and safe	268
Principle 3	Businesses should respect and promote the well-being of all employees, including those in their value chains	271
Principle 4	Businesses should respect the interests of and be responsive to all its stakeholders	277
Principle 5	Businesses should respect and promote human rights	280
Principle 6	Businesses should respect and make efforts to protect and restore the environment	285
Principle 7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent	295
Principle 8	Businesses should promote inclusive growth and equitable development	298
Principle 9	Businesses should engage with and provide value to their consumers in a responsible manner	300

Section A: General Information about the Company

I. Details of the listed entity

S. No.	Particulars	Response
1.	Corporate Identity Number (CIN) of the Company	L01551KA1999PLC024991
2.	Name of the Listed Entity	United Spirits Limited
3.	Year of incorporation	1999
4.	Registered office address:	UB TOWER’, #24, Vittal Mallya Road, Bengaluru – 560 001
5.	Corporate address:	UB TOWER’, #24, Vittal Mallya Road, Bengaluru – 560 001
6.	E-mail:	cosec.india@diageo.com / investor.india@diageo.com
7.	Telephone:	080-22210705
8.	Website:	www.diageoindia.com
9.	Financial year for which reporting is being done:	April 01, 2024 to March 31, 2025
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited & BSE Limited
11.	Paid-up Capital	₹ 145 Crores
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Jitendra Mahajan Chief Supply & Sustainability Officer Telephone: 080-22210705; Email: investor.india@diageo.com

S. No.	Particulars	Response
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).	The financial information presented in the report is for standalone legal entity, United Spirits Limited (USL). The non-financial information (environment, social and governance) presented in the report is for standalone legal entity, unless otherwise specified below. USL operates through its Own Manufacturing sites, Third-Party Manufacturing sites (which includes Tie-up Manufacturing Units and Leased Manufacturing Units), Owned and Leased Offices and Warehouses. USL's operations are subject to excise regulations. Under these regulations, USL as a brand owner is required to register brands with the excise authorities and only such registered brands can be supplied by USL either through its Own Manufacturing sites or Third-Party Manufacturing sites. For the purposes of financial reporting, in accordance with the applicable accounting standards, the Company includes revenue, cost of goods sold and applicable duties and taxes relating to the Third Party Manufacturing sites into USL's Standalone Financial Statements. Further, the Company capitalizes Right of Use assets and the corresponding lease liabilities for the Third-Party Manufacturing sites in the Standalone Financial Statements. Please refer to Notes 3.2 and 20 under Notes to the Audited Standalone Financial Statements in the Integrated Annual Report page 332 and 355 respectively. The non-financial information has been reported for Owned Manufacturing sites, Owned and Leased Offices and Warehouses for indicators under the BRSR Core attributes of Green-house gas footprint, Water footprint, Energy footprint, Waste management and Total Output of Products considered for intensity across the same. The reporting boundary excludes the above mentioned non-financial information pertaining to Third-Party Manufacturing sites considering that the key sustainability activities of Third-Party Manufacturing sites are managed by respective parties themselves and the Company does not have operational control so far as it relates to such activities. Additional considerations for such exclusion include the complexities of USL's operating rights in relation to excise regulations as applicable to Third-Party Manufacturing sites and non-availability of specific guidance in the BRSR on reporting of non-financial information in relation to such Third-Party Manufacturing sites. The reporting boundary will be reviewed by the Company on an annual basis to align to any further guidance/clarity on the above matter.
14.	Name of assurance provider	Price Waterhouse & Co Chartered Accountants LLP
15.	Type of assurance obtained	Reasonable assurance on BRSR core indicators

II. Products/Services

16.	Details of business activities (accounting for 90% of the turnover):		
	Description of main activity	Description of business activity	% of Turnover of the entity
	Manufacturing (Main Activity Group Code - C1)	The company is involved in the manufacture, sale, and distribution of alcoholic beverages	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's turnover)

Product / service	NIC Code	% of Total Turnover contributed
Alcoholic Beverages, Indian Made Foreign Liquor, Extra Neutral Alcohol	11011	100%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Businesses and operations are spread across the country.

Location	No. of plants/Operations	No. of offices	No. of warehouses/depot	Total
National	11	19	11	41
International	Nil			

Note: There were 11 owned manufacturing sites, non-operational throughout the year and therefore not included above.

19. Markets served by the entity

a. Number of locations

Location	Number
National	28 states and 6 union territories
International	24 countries

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Exports contribute to 0.59% of our total turnover.

c. A brief on types of customers:

USL is one of the leading alcohol beverage company in India and a subsidiary of the global leader Diageo Plc. With a portfolio of 140+ SKUs, we offer a diverse range of global and premium Indian brands including several iconic names across categories such as Scotch, IMFL whisky, brandy, rum, vodka, and gin, catering to varied consumer preferences and price segments. We sell over 60 million cases annually through a variety of business models, including corporate partnerships, distributors, wholesalers, retailers, aggregators, and modern trade channels. Our reach extends to more than 90,000 outlets across 28 states and 6 union territories, supported by 1,500+ direct dispatch customer drop points, and we export to 24 countries globally. By blending global expertise with local innovation, we consistently deliver world-class products and exceptional consumer experiences, ensuring seamless accessibility across markets.

IV. Employees

20. Details as at the end of the financial year:

a. Employees and workers (including differently abled)

Particulars	Total (A)	Male		Female	
		No. (B)	% (B/A)	No. (C)	% (C/A)
Employees					
Permanent (D)	1486	1065	72%	421	28%
Other than Permanent (E)	18	12	67%	6	33%
Total Employees (D+E)	1504	1077	72%	427	28%
Workers					
Permanent (F)	934	870	93%	64	7%
Other than Permanent (G)	3253	2471	76%	782	24%
Total Workers (F+G)	4187	3341	80%	846	20%

Note: Trainees and apprentices not included in the workforce

b. Differently abled Employees and workers

Particulars	Total (A)	Male		Female	
		No. (B)	% (B/A)	No. (C)	% (C/A)
Differently Abled Employees					
Permanent (D)	0	0	0%	0	0%
Other than permanent (E)	0	0	0%	0	0%
Total differently abled employees (D+E)	0	0	0%	0	0%
Differently Abled Workers					
Permanent (F)	7	7	100%	0	0%
Other than Permanent (G)	36	36	100%	0	0%
Total differently abled workers (F+G)	43	43	100%	0	0%

21. Participation/Inclusion/Representation of women - BOD/KMP

Particulars	Total (A)	No. and % of Females	
		No(B)	%(B/A)
Board of Directors*	9	3	33%
Key Management Personnels	3	1	33%

*Two of the Key Management Personnel are also part of Board of Directors.

*Mahendra Kumar Sharma, Chairperson & Non-Executive Director and Hina Nagarajan, CEO & MD, served as members of the Board until March 31, 2025. Praveen Someshwar, CEO & MD has replaced Hina Nagarajan effective April 1, 2025.

22. Turnover rate for permanent employees and workers - Past 3 years

Particulars	FY 2024-25			FY 2023-24			FY 2022-23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	11%	19%	14%	12%	21%	14%	19%	28%	21%
Permanent Workers	26%*	6%	25%	29%*	2%	27%	12%	71%*	16%

Note: The turnover is a result of the Voluntary Separation Scheme due to closure of units under our ongoing ‘Supply Agility Program’, which aims to consolidate manufacturing operations across India. As part of settlement arrangement, permanent workers received closure compensation and opted for voluntary separation from the company.

V. Holding, Subsidiary and Associate Companies

23. 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? (Yes/No)
1	Diageo plc	Ultimate Holding company	-	No
2	Tanqueray Gordon & Company Ltd., United Kingdom (Holding Company of Diageo Relay B V)	Holding Company of Diageo Relay B V	-	No
3	Diageo RELAY BV	Holding Company	56%	No
4	Asian Opportunities & Investments Limited (AOIL)	Subsidiary	100%	No
5	Palmer Investment Group Limited	Subsidiary	100%	No
6	Shaw Wallace Overseas Limited	Subsidiary	100%	No
7	USL Holdings Limited	Subsidiary	100%	No

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? (Yes/No)
8	USL Holdings (UK) Limited	Subsidiary	100%	No
9	United Spirits (UK) Limited	Subsidiary	100%	No
10	United Spirits (Great Britain) Limited	Subsidiary	100%	No
11	McDowell & Co (Scotland) Limited	Subsidiary	100%	No
12	Royal Challengers Sports Private Limited	Subsidiary	100%	No
13	Nao Spirits & Beverages Private Limited	Joint venture	30%*	No
14	Inspired Hospitality Private Limited	Joint venture	15%*	No
15	V9 Beverages Private Limited	Joint venture	15%*	No
16	Indie Brews and Spirits Private Limited	Joint venture	25%*	No

Note: The company holds an ownership interest in the aforementioned joint ventures on a fully diluted basis as of March 31, 2025.

VI. CSR Details

24	(i). Whether CSR is applicable as per section 135 of Companies Act, 2013	Yes
	(ii). Turnover	26,780 Cr.
	(iii). Network	7,879 Cr

Note: The turnover of ₹ 26,780 Cr includes the total revenue from the operations as mentioned in Note 20 of Audited Standalone Financial Statements.

VII. Transparency & Disclosures Compliance

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder Group from Whom complained received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2024 -25			FY 2023 -24		
		Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Communities	Yes	0	0	-	0	0	-
Investors (Other than Shareholders)	NA	-	-	-	-	-	-
Shareholders	Yes	22	0	-	16	0	-
Employees and workers	Yes	62	14	-	58	2	-
Customers/ Consumer*	Yes	674	88	-	507	71	-
Value chain Partners	Yes	3	0	-	3	0	-

*Figures from the previous year have been changed due to revision in reporting methodology.

Note 1: Our grievance redressal policy is primarily implemented through its “SpeakUp” service- <https://www.diageoindia.com/en/about-us/corporate-governance/speak-up>

Note 2: The two complaints filed by employees and workers, which were pending as of 31st March 2024, have been resolved during the year.

Note 3: Customer/Consumer complaints include complaints pertaining to product quality. Out of 674 complaints, 586 were validated and resolved during the reporting period, while 88 remained under investigation as on 31st March 2025. The 71 complaints pending as of 31st March 2024, were successfully resolved within the year.

26. 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)
Promoting moderation	Opportunity	By advocating for responsible drinking, we help reduce the risks associated with alcohol misuse, including health complications and social harm. This approach supports public well-being, safeguards the brand’s reputation and ensures compliance with regulatory standards aimed at protecting public health.	-	Embedding moderation into our strategic framework aligns with principles of sustainable growth and corporate social responsibility and drives long-term value creation. This approach strengthens investor confidence, reinforces brand loyalty, and supports long-term value creation delivering both financial returns and reputational gains that make moderation a prudent and forward-looking business strategy.
Including and empowering women, minorities, and under-represented groups	Opportunity	Empowering women, minorities, and under-represented groups both in the workforce and in leadership helps build a more innovative, balanced, and effective organization. Fostering inclusivity in hiring, marketing, and decision-making enables broader perspectives and supports the development of products and services that resonate with diverse consumer segments.	-	Championing inclusivity and diversity is a strategic imperative that enhances talent acquisition, elevates workforce quality, and reduces recruitment costs, ultimately driving product innovation, increasing revenue, and expanding market share. By fostering a strong focus on inclusion, we gain a deeper understanding of diverse customer needs, positioning ourselves as a progressive and responsible industry leader.
Ensuring access to clean water, sanitation, and hygiene	Opportunity	Access to clean water, sanitation, and hygiene (WASH) is fundamental to public health, human dignity, and sustainable development. Communities lacking reliable WASH infrastructure face increased health risks, reduced productivity, and diminished quality of life. Addressing this issue presents a significant opportunity to enhance community well-being, build stakeholder trust, and contribute to long-term environmental sustainability.	-	Investing in clean water, sanitation, and hygiene infrastructure creates long-term value by reducing health-related disruptions, enhancing workforce productivity, strengthening community goodwill, and mitigating future regulatory or compliance costs.

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)
Ensuring responsible marketing/ retailing of alcohol	Opportunity	Promoting responsible marketing/retailing of alcohol enhances consumer trust, aligns with regulatory expectations, and supports public health objectives.	-	Responsible marketing and retailing practices leads to increased consumer trust, brand loyalty, and market share, while reducing the risk of regulatory fines or reputational damage.
Preventing harmful use of alcohol	Opportunity	Preventing the harmful use of alcohol aligns with public health priorities and demonstrates corporate responsibility.	-	Promoting the responsible use of alcohol enhances brand reputation and consumer trust leading to stable market presence. It helps in gaining a competitive edge and differentiate brands in the marketplace, attracting ethically conscious consumers and ESG-focused investors.
Mitigating or adapting to climate change	Risk	Climate change poses significant risks, particularly concerning the availability of critical resources like water and key agricultural ingredients. Without proactive mitigation, these risks could disrupt supply chains, drive up costs due to resource scarcity, and accelerate shifts in consumer preference toward more sustainable and environmentally responsible brands.	We have made strategic investments in energy-efficient technologies, significantly reduced water consumption, and transitioned to renewable energy across our production facilities. As part of our commitment to environmental stewardship, we have established ambitious carbon reduction targets and are actively advancing our sustainability agenda. These initiatives position us to navigate the challenges posed by climate change and reinforce our contribution to a more resilient and sustainable future.	Extreme weather events can disrupt supply chains, damage infrastructure, and raise operational costs, impacting profitability. Climate-related regulations, including carbon taxes and stricter environmental standards, may increase compliance costs and require investments in sustainable technologies. Additionally, shifting consumer preferences toward eco-friendly products could affect reputation and erode market share if not proactively addressed.
Protecting the natural ecosystems our business relies on	Opportunity	Healthy ecosystems provide critical resources such as clean water, raw materials, and a stable climate. By prioritizing environmental stewardship, we reduce operational risks related to resource scarcity and regulatory pressures and enhance our reputation as a responsible business.	Healthy ecosystems are vital for providing essential resources, including clean water, raw materials, and a stable climate. By prioritizing environmental stewardship, we mitigate risks associated with resource depletion and regulatory challenges, while simultaneously strengthening our reputation as a responsible and sustainable business.	Investing in the protection of natural ecosystems strengthens our brand value, attracts eco-conscious consumers and investors and positions us for sustained growth and profitability.

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)
Corporate Governance	Opportunity	Good governance enhances stakeholder confidence, ensuring that the company runs efficiently and ethically, boosting long-term financial stability and enhancing reputation.	-	Effective corporate governance promotes transparency, accountability, and sound decision-making, reducing risks such as fraud and legal disputes. It builds investor confidence, enhances reputation, and supports sustained growth and financial performance.
Strengthening security of agri-food chains	Risk	Disruption in supply chains can drive up costs through production delays, increased insurance premiums, and the need for more robust safety measures.	We have robust and comprehensive procedures in place for sustainable sourcing, firmly rooted in our commitment to ethical, responsible, and environmentally sound business practices from grain to glass. Our approach is guided by the Partnering with Suppliers standard, which sets clear expectations on environmental compliance and ethical conduct. To enhance transparency and enable data-driven decision-making, we have implemented SEDEX, a global platform for responsible sourcing across our vendor base.	Supply chain disruptions can result in significant costs, including the need for expensive infrastructure and technology upgrades. Failure to effectively manage these risks exposes the company to reputational damage and potential revenue loss. However, by implementing proactive risk management strategies, we can mitigate these impacts, reduce long-term costs, protect profit margins, and maintain financial stability in the face of unforeseen challenges.
Supporting good livelihoods and working conditions	Opportunity	Prioritizing fair wages, safe working environments, and equitable treatment, attracts and retains top talent, reduces turnover, and boosts productivity. Fostering positive working conditions supports a healthier, more engaged workforce, contributing to overall business success and resilience.	-	Fair wages, safe environments, and employee well-being leads to higher productivity and lower turnover, resulting in cost savings on recruitment and training. Improved working conditions also enhances operational efficiency and product quality.
Reducing or eliminating waste	Opportunity	Reducing or eliminating waste presents a valuable opportunity to enhance efficiency, lower costs, and support environmental sustainability. Minimizing waste helps reduce expenses related to materials, energy, and disposal, while improving resource efficiency.	-	Reducing or eliminating waste lowers costs associated with raw materials, energy consumption, and waste disposal, directly improving profit margins. Efficient use of resources also enhances operational productivity and leads to savings across the supply chain.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Policy and management processes		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	a. Whether your entity's policy / policies cover each principle and its core elements of the NGRBCs. (Yes/ No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/ No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. Web Link of the Policies, if available	https://www.diageoindia.com/en/investors/shareholder-centre/policies								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Do the enlisted policies extend to your value chain partners? (Yes/ No)	Yes, value chain partners are required to understand the policies outlined in our Code of Business Conduct (CoBC) and the guidance note, and agree to act in accordance with the standards and principles, prior to or upon signing the agreement.								
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	Our Code is guided by the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights to Work, the Children's Rights and Business Principles, UN Global LGBTI Standards of Conduct for Business, UN Women's Empowerment Principles and the UN Global Compact,GRI Standard	FSSC 22000, GRI Standard	Our policies are guided by ILO principles and UNGC	Grievance redressal mechanism, GRI Standard	United Nations Guiding Principles on Business and Human Rights and ILO Principles, UN Global LGBTI Standards of Conduct for Business, UN Women's Empowerment Principles and the UN Global Compact to which we are signatories	ISO 14064-1:2018, Alliance for Water Stewardship (AWS), GRI Standard	Policy advocacy are undertaken through trade and industry chambers and associations, and other similar collective platforms, UNGC	CSR disclosures pursuant to Section 135 of the Companies Act, 2013	ISF Standard of Good Practice, ASCI , FSSAI, Cert-In, GRI Standard
		USL is in the process of implementing Integrated Management Systems (IMS) Certification by FY 2026 covering ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 at all Own Manufacturing Units.								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any	Our aspiration is to be the top performing CPG company in India delivering sustained double digit, profitable top line growth & long term value to all our stakeholders .This ambition drives us to embed sustainability and Environmental, Social, and Governance (ESG) principles at the core of our decision-making and business strategies. Our commitment extends beyond financial success, aiming to create a meaningful and positive impact on the planet and its people. 'Spirit of Progress' is our 10-year ESG action plan to help create a more inclusive and sustainable world. Our strategic priorities are to promote positive drinking, champion inclusion and diversity and pioneer grain-to-glass sustainability, all underpinned by doing business the right way. Building on the legacy, we want to create a positive impact on our company, within our communities and for society. To lead our business through the next decade, we have set ourselves goals which align with the United Nations' Sustainable Development Goals. Read more under Spirit of Progress at page 36								

6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met	The USL's performance against the specific targets established for financial year 2024-25 is as follows:						
		Spirit of Progress (SoP) parameter	Goal	Unit of Measurement (UoM)	Target by 2030	Cumulative performance FY 20-25	Performance in FY 24-25	SDG mapping
		Promote positive drinking (Act Smart India)	Scale up our ACT SMART partnership, and educate young people, parents, and teachers on the dangers of underage drinking	No of young people educated on the dangers of underage drinking	1.3 Mn	0.5 Mn	0.2 Mn	SDG 3 SDG 17
		Positive drinking (Wrong Side of the Road)	Extend our UNITAR partnership and promote changes in attitudes to drink driving	No. of consumers educated on the dangers of drink driving	3 Mn	1.2 Mn	0.5 Mn	SDG 3 SDG 17
		Champion inclusion and diversity (Learning for Life)	Business and hospitality skills to people, increasing employability and improving livelihoods through Learning for Life and other skills programmes.	No. of people trained in business & hospitality skills	13000	6536	1,922	SDG 4 SDG 8 SDG 10 SDG 17
		Preserve water for life	Replenish more water than we use for our operations for all our sites in water-stressed areas	Cu. M.	0.8 Mn Cu.M.	1.1 Mn. CU.M.	Completed projects with ~182K Cu.M. water replenishment potential	SDG 6 SDG 15
		Preserve water for life	Reduce water use in our operations with improvement in packaging water use efficiency	KL of water used/ KL of beverage packed	40%	35%	2% ahead (1.01 L/L against target of 1.03 L/L)	SDG 6 SDG 17
		Preserve water for life	Reduce water use in our operations with improvement in distillation water use efficiency	KL water used/KL of spirit distilled	40%	54%	6% ahead (11.61 L/L against target of 12.41 L/L)	SDG 6 SDG 17
	Accelerate to a low carbon world	Become net zero carbon in our direct operations (Scope 1 and 2)	T CO2e	100%	93%	7% ahead (2,386 tCO2e against target of 2,569 tCO2e)	SDG 7 SDG 12 SDG 13	

Note 1: The performance reported for water use efficiency and greenhouse gas (GHG) emissions covers USL Owned Manufacturing sites, owned and leased Offices and Warehouses.

Note 2: The percentage change in absolute greenhouse gas (GHG) emissions presented reflects direct (Scope 1) and indirect (Scope 2) emissions by weight, calculated on a market-based approach. Scope 2 emissions have been offset through the purchase of International Renewable Energy Certificates (I-RECs).

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements
Please refer to the Chairperson's and Managing Director & CEO's message in the Integrated Annual Report on pages 06 and 08 respectively.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).
At the highest level, the Board of Directors (BoD), led by the Chairman, Managing Director & CEO are responsible for the implementation and oversight of the Business Responsibility policies.

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 Corporate Social Responsibility & Environmental, Social, and Governance (CSR & ESG) Committee of the Board is responsible for decision-making on sustainability-related matters. This Committee is tasked with reviewing, overseeing, and monitoring our CSR and ESG strategies and performance, ensuring that sustainability objectives are effectively integrated into our operations and aligned with evolving standards and best practices.

Name	Designation	Role
Dr Indu Bhushan	Non-Executive, Independent Director	Chairperson
Hina Nagarajan*	Executive Director	Member
Mark Sandys	Non Executive Director	Member

**Hina Nagarajan MD & CEO, served as a member of the committee until March 31, 2025 and Praveen Someshwar, MD & CEO has replaced her effective April 1, 2025.*

10. Details of review of NGRBCs 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)									
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9	
Performance against above policies and follow up action	USL's Code of Business Conduct (COBC) covers all the principles laid down under NGRBC guidelines. The review of the CoBC is undertaken by our Board of Directors (BoD).									Annually									
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Compliance with statutory requirements under the relevant principles is overseen by the BoD. In instances of non-compliance, is identified, immediate corrective actions are taken, which may include revising internal processes, enhancing training programs, or introducing new control measures.									Annually									
11. 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										P1	P2	P3	P4	P5	P6	P7	P8	P9	
										No, a periodic review is performed by the respective policy owners and Control Assurance and Risk Excellence (CARE - internal team).									
12. If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated:																			
Questions										P1	P2	P3	P4	P5	P6	P7	P8	P9	
The entity does not consider the principles material to its business (Yes/No)										Not Applicable									
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:

Businesses 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 by the awareness programmes
Board of Directors	7	We conduct a familiarization program for all Board members on key areas. The attendance / number of hours of training completed by the board is regularly updated and is available at https://www.diageoindia.com/~ /media/Files/D/Diageo-V2/Diageo-India/investors/disclosures-under-regulation-46-of-the-lodr/directors-familiarisation-program-details-13-02-2025.pdf	100%
Key Managerial Personnel	1	We conduct annual policy awareness sessions to ensure employee familiarity with key organizational policies such as Anti-Bribery and Corruption, Data Privacy, POSH, Human Rights and more. Attendance is mandatory, with recorded sessions available for reference, and understanding is assessed through a Policy Understanding Test (PUT).	100%

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category by the awareness programmes
Employees other than BOD and KMPs	1	We conduct annual policy awareness sessions to ensure employee familiarity with key organizational policies such as Anti-Bribery and Corruption, Data Privacy, POSH, Human Rights and more. Attendance is mandatory, with recorded sessions available for reference, and understanding is assessed through a Policy Understanding Test (PUT).	100%
Workers	1	The Associate Ambassador Network is our initiative aimed at fostering policy awareness on Anti-Bribery, Health & Safety, Sexual Harassment Prevention and more at the grassroots level using training materials in five local languages (Hindi, Marathi, Telugu, Kannada and Bengali) to ensure clear understanding.	50%

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					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fines	The Company has received several directions and orders, pursuant to which necessary payments have been made, while appeals have been filed in certain matters across various jurisdictions. Relevant details have been submitted to the stock exchanges in accordance with Regulation 30 of the SEBI Listing Regulations and are also available on the Company’s website under the Shareholder Centre – Notice Board section: https://www.diageoindia.com/en/investors/shareholder-centre/notice-board .				
Settlement					
Compounding fee					
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA

3. Of the instances disclosed in Question 2 above, details of the Appeal / Revision preferred in cases where monetary or non- monetary action has been appealed.

Case Details	Name of the regulatory / enforcement agencies / judicial institutions
The Company has received several directions and orders, pursuant to which necessary payments have been made, while appeals have been filed in certain matters across various jurisdictions. Relevant details have been submitted to the stock exchanges in accordance with Regulation 30 of the SEBI Listing Regulations and are also available on the Company’s website under the Shareholder Centre – Notice Board section: https://www.diageoindia.com/en/investors/shareholder-centre/notice-board .	

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.

We have zero tolerance for bribery or corruption in any form whether direct or indirect, by employees or business partners acting on our behalf and take pride in our reputation as a trusted and respected business. We do not offer, give, solicit, or accept bribes or any improper advantage for business gain. This prohibition applies to any form of bribe of any value and special care is taken to ensure that our actions cannot be interpreted as bribery, particularly in the areas of gifts, hospitality, entertainment, expenses, customer travel, trade incentives, political contributions, charitable donations, lobbying, and sponsorship. We also ensure that our relationships with our business partners and government officials do not create bribery or corruption risks. We encourage to do the right thing and if offered or asked for a bribe advise to report it promptly to USL internal lawyer or via SpeakUp. The policy is hosted at <https://www.diageoindia.com/~media/Files/D/Diageo-V2/Diageo-India/about-us/corporate-governance/f24-code-of-conduct.pdf>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption

Particulars	FY 2024 -25	FY 2023 -24
Directors	0	0
KMPs		
Employees / Workers		

6. Details of Complaints with regard to conflict of interest

Particulars	FY 2024 -25		FY 2023 -24	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMP’s	0	-	0	-

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 conflicts of interest

NA

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

Particulars	FY 2024 -25	FY 2023 -24
Number of days of accounts payable	81 Days	77 Days

Note 1: As per the Industry Standards Note on BRSR Core released by SEBI, cost of goods/services procured also includes capital expenditure made by the company in FY 2024-25. Hence, the figures are not comparable to last year’s figures to that extent.

Note 2: Reasonable Assurance has been undertaken by Price Waterhouse & Co Chartered Accountants LLP, on the indicator in the table above.

9. Openness of Business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances investments, with related parties, in the following format:

Parameter	Metrics	FY 2024 -25	FY 2023 -24
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	14%	-
	b. Number of trading houses where purchases are made from	455	-
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	63%	-
Concentration of Sales	a. Sales to dealers /distributors as % of total sales	100%	100%
	b. Number of dealers / distributors to whom sales are made	2088	1846
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	49%	49%
Share in RPT’s	a. Purchases (Purchases with related parties /Total Purchases)	12%	11%
	b. Sales (Sales to related parties / Total Sales)	0%	0%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances	82%	0%
	d. Investments (Investments in related parties / Total Investments made)	21%	27%

Note 1: For the period FY 2024-25 we have revised our assessment on “Trading Houses” classification in accordance with the guidance in the Industry Standards Note for BRSR Core issued by SEBI. Hence, the figures are not comparable to last year’s figures to that extent.

Note 2: All sales have been made by USL to dealers and distributors. Sales considered above as per the revenue from operations in the Note 20 of the Audited Standalone Financial Statements of USL for the year ended March 31, 2025.

Note 3: For the purpose of calculating the Cost of goods/ services procured, all procurements including capital expenditures are considered and, rates & taxes, exchange (gain)/loss, allowance for trade receivable and other assets (net) are excluded.

Note 4: All the amounts relating to related parties disclosed above are as per Note 36 of the Audited Standalone Financial Statements of USL for the year ended March 31, 2025.

Note 5: For Loans & advances and Investments (current and non-current), closing balances disclosed as per Note 5 and Note 4.1 and Note 4.2 respectively, in the Audited Standalone Financial Statements for the year ended March 31, 2025 have been considered.

Note 6: Reasonable Assurance has been undertaken by Price Waterhouse & Co Chartered Accountants LLP, on the indicators in the table above.

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	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
Our ‘Partnering with Suppliers’ standard sets out the minimum social, ethical, and environmental compliance requirements that all suppliers are expected to meet as part of their contracts with us, along with aspirational goals for long-term partners. To reinforce these expectations, our Know Your Business Partner (KYBP) initiative ensures high- and medium-risk partners align with USL’s ethical and regulatory standards through targeted compliance training on key topics such as anti-money laundering, tax evasion, bribery, conflicts of interest, and record-keeping. We also conduct focused awareness sessions across the value chain to support ongoing alignment with USL’s values.		

2. Does the entity have processes in place to avoid / manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

The Board of Directors are guided by a Code of Business Conduct (CoBC) that outlines clear procedures for identifying, disclosing, and managing actual or potential conflicts of interest. Board members are required to submit annual declarations detailing financial interests, directorships, or affiliations that may give rise to conflicts. When a conflict is identified, the concerned member is recused from related discussions and decisions. All necessary approvals under applicable laws are obtained before entering into transactions involving potential conflicts. The CoBC ensures transparency and accountability in the Board’s decision-making process. The Policy is available on our website and can be accessed at <https://www.diageoindia.com/~media/Files/D/Diageo-V2/Diageo-India/about-us/corporate-governance/f24-code-of-conduct.pdf>

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.

We have a state-of-the-art R&D and Innovation facility, dedicated to driving product and process innovation. This center focuses on enhancing the performance of our brand portfolio through continuous development. The innovation hub is staffed by leading scientists who create products aligned with evolving consumer insights. Additionally, our Packaging Technology Centre (PTC) is committed to developing sustainable packaging solutions, fostering innovation in materials that support circularity and environmental responsibility.

Particulars	FY 2024 -25	FY 2023 -24	Details of Improvement
R&D	7%	3%	Driving innovation and product renovation to achieve manufacturing excellence, environmental performance, and uphold the highest safety standards.
Capex	17%	27%*	Implementing safety enhancements, advancing energy and water efficiency, promoting rainwater harvesting initiatives, and adopting low-carbon technologies.

*Figures from the previous year have been revised due to revision in project classification.

2a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, we have robust and comprehensive procedures in place for sustainable sourcing, firmly rooted in our commitment to ethical, responsible, and environmentally sound business practices from grain to glass. Our approach is guided by the Partnering with Suppliers standard, which sets clear expectations on environmental compliance, ethical conduct, and human rights. Suppliers are expected to meet minimum standards aligned with our Code of Business Conduct (CoBC), covering key areas such as anti-bribery, tax compliance, fair competition, conflict of interest, and labour practices. To enhance transparency and enable data-driven decision-making, we have implemented SEDEX—a global platform for responsible sourcing—across our vendor base. This is supported by structured systems for sustainable sourcing, including standardized vendor selection templates with a focus on sustainability, contractual obligations for high-impact vendors, and KPI-based supplier segmentation to monitor and reinforce compliance. Our Partnering with Suppliers code can be accessed at <https://www.diageo.com/en/our-business/corporate-governance/code-of-business-conduct/policies-and-standards>.

2b. If yes, what percentage of inputs were sourced sustainably?

In FY 2024-25, 60% of the inputs by value comprising raw materials such as Extra Neutral Alcohol (ENA), molasses, malt, barley, food flavours, imported scotch, market bottles, and packaging materials were sourced from suppliers operating under our Responsible Sourcing Programme.

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.

- a) Plastics (including packaging):** We are fully committed to responsibly managing 100% of our plastic packaging. Our Extended Producer Responsibility (EPR) program involves designing products with recyclability and minimal environmental impact in mind and partnering with certified recycling partners to ensure proper disposal and recycling of materials. In FY2024-25,we recycled 22,623 tonnes of plastic waste, and the credits in the same quantity,are under issuance from the recyclers and will be filed with the State and Central Pollution Control Board (CPCB) within the mandated timelines.
- b) E-waste:** We are committed to responsible E-waste disposal and recycling practices, adhering to the highest industry standards. To ensure the safe and environmentally sound handling of electronic waste, we collaborate with state-authorized recycling partners who specialize in the dismantling and recycling of electronic products. These partners are equipped to properly manage and recover valuable components, such as metals and plastics, for reuse.
- c) Hazardous Waste:** The management of hazardous waste is handled with the utmost care to ensure the safety of both people and the environment. While the generation of hazardous waste is minimal, we follow strict procedures for identifying, labeling, storing, and disposing of any hazardous materials in compliance with State and Central Pollution Control Board (CPCB) guidelines.
- d) Other waste:** All other waste is segregated and disposed of through authorized agencies, following CPCB guidelines.

We have achieved zero waste to landfill through continuous monitoring of waste reduction efforts, including recycling and waste-to-energy initiatives. To further enhance our approach, we conducted a waste gap assessment at one of our key sites with an external partner, identifying new opportunities to reduce, reuse, and improve waste handling.

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 to address the same.

Yes. Extended Producer Responsibility (EPR) requirement under Plastic waste rule, 2016 (amended to date) is applicable to us and we are complying with requirement under the rule.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details.

USL has initiated Lifecycle assessment (LCA) of its key products to identify areas of improvement across its value chain. The LCA is conducted as per ISO 14040/44 standard within Cradle-to-grave boundary. The details of the LCA study under process is provided in the table below.

NIC Code	Name of Product/Service	% of Total Turnover	Boundary for which LCA was conducted	Whether conducted by external agency	Results communicated in Public Domain
Finished goods		2%	Cradle to Grave	Yes	No
11011	Vodka				
11032	Indian Single Malt Whisky				
Raw Materials		NA			
11032	Malt Spirit				
1124	Broken Rice				

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 / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product/service	Description of risk/concern	Action Taken
	NIL	

The LCA study results did not reveal any environmental or social concern arising from the products assessed. We have used the life cycle assessment results to identify opportunities to reduce product carbon footprint as part of our Scope 3 climate action plan.

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).

We continue to strengthen collaboration with our value chain partners to increase the use of recycled and reused materials across packaging. Our commitment to sustainable packaging spans a range of materials including glass (virgin and market-returned bottles), plastic, and cartons that currently incorporate recycled and reused content. We are also exploring circular solutions for other materials such as labels and sleeves.

Indicate input material	Recycled or re-used input material to total material	
	FY 2024 -25	FY 2023 -24
Packaging material	59%	55%

Note 1: The recycled glass (cullet) percentage considered as per the percentage declared by the glass vendors.

Note 2: The outer cartons (corrugate) and market bottle use quantity packaging are considered 100% recycled.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tons) reused, recycled, and safely disposed.

Glass: We prioritize using cullet in glass production, collaborating with vendors who disclose their cullet percentage to ensure ongoing recycling. Our end-of-life bottle return system further supports sustainability by enabling us to buy, clean, and reuse empty glass bottles, reducing waste, conserving raw materials, and strengthening local vendor networks for a more circular packaging model.

Plastic: As part of our commitment to sustainability, we have implemented a comprehensive Extended Producer Responsibility (EPR) framework across all States and Union Territories in India, successfully collecting and responsibly managing 22,623 metric tonnes of plastic waste.

Particulars	FY 2024 -25			FY 2023 -24		
	Reused	Recycled	Safely disposed	Reused	Recycled	Safely disposed
Glass (Mt)	46,059	149,774	-	43,590	141,550	-
Plastic Waste (EOL) – (Mt)	-	16,757	5,866	-	17,763	6,369

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Particulars	% Reclaimed Packaging Material	
	FY 2024 -25	FY 2023 -24
Glass (Market bottles reclaimed as percentage of total glass used)	14%	13%
Plastic Waste under EPR (Covering Solid, Flexible and MLPs)	100%	100%

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chain.

Essential Indicators

1a. Details of measures for the well-being of employees:

Category	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Benefits	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	1,065	1,065	100%	1,065	100%	0	0%	1,065	100%	1,065	100%
Female	421	421	100%	421	100%	421	100%	0	0%	421	100%
Total	1,486	1,486	100%	1,486	100%	421	28%	1,065	72%	1,486	100%
Other than Permanent Employees											
Male	12	12	100%	12	100%	0	0%	0	0%	0	0%
Female	6	6	100%	6	100%	6	100%	0	0%	0	0%
Total	18	18	100%	18	100%	6	33%	0	0%	0	0%

1b. Details of measures for the well-being of Workers:

Category	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Benefits	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	870	870	100%	870	100%	0	0%	0	0%	870	100%
Female	64	64	100%	64	100%	64	100%	0	0%	64	100%
Total	934	934	100%	934	100%	64	7%	0	0%	934	100%
Other than Permanent Employees											
Male	2,471	2,471	100%	2,471	100%	0	0%	0	0%	2,471	100%
Female	782	782	100%	782	100%	782	100%	0	0%	782	100%
Total	3253	3253	100%	3253	100%	782	24%	0	0%	3253	100%

*Other than permanent workers: Covered for Health and Accident insurance through ESIC (Employee State Insurance Corporation).

1c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

Particulars	FY 2024 -25	FY 2023 -24
Cost incurred on well-being measures as a % of total revenue of the company	0.06%	0.06%

Note 1: The wellbeing cost consists of cost incurred by USL towards:

- Employee Insurance which is not recoverable from employees
- Creche reimbursements
- Employee Assistance Programme (employee mental & physical wellness programme)
- Salary paid to the employees during parental leave

Note 2: Reasonable Assurance has been undertaken by Price Waterhouse & Co Chartered Accountants LLP, on the indicators in the table above.

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year

Benefits	FY 2024 -25			FY 2023 -24		
	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%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	0%	1%	-	0%	7%	-
Others- please specify	NA	NA	-	NA	NA	-

Note: Decrease in ESI contribution is a result of the Voluntary Separation Scheme due to closure of units under our ongoing Supply Agility program, which aims to consolidate manufacturing operations across India. As part of settlement arrangement, permanent workers received closure compensation and opted for voluntary separation from the company.

3. 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, we are committed to ensuring that our premises are accessible and welcoming to all. In alignment with the ‘Harmonised Guidelines & Standards for Universal Accessibility in India, 2021’ framed under the Rights of Persons with Disabilities Act, 2016, we have undertaken comprehensive measures to ensure inclusive and accessible environments across our premises.

Mobility Support: Wheelchairs and designated space allowances are provided for users of crutches and white canes. Seamless access routes connect all major entrances and exits with key transport points, including taxi stands and parking areas.

Vertical Accessibility: Ramps are installed to facilitate movement across levels for wheelchair users. In recognition that many ambulant individuals with disabilities may prefer stairs, both ramps and steps are provided for safe and convenient access.

Barrier-Free Circulation: Internal corridors and pathways are designed to be free of obstacles, projections, or protrusions. Lighting throughout these spaces is even, diffused, and designed to minimize glare, reflections, or shadows. Flooring is stable, level, slip-resistant, and finished with a matte surface to prevent slips or trips.

Accessible Doors: Doors are operable with one hand and do not require tight grasping, pinching, or twisting motions. They do not open directly outward from rooms and are fitted with exposed, accessible hardware usable from both sides.

Handrails and Grab Bars: Installed throughout circulation areas, handrails and grab bars are designed for easy and secure gripping. They offer essential support for individuals with disabilities and elderly users to maintain balance and safety.

Signage and Wayfinding: Clear and visible signage is provided at key junctions, circulation routes, and destinations such as doorways, reception areas, drinking water stations, and toilets. Both audible and visual alarms are in place to assist users during emergencies, with lifts equipped with visual indicators for enhanced accessibility.

Accessible Restrooms: Unisex accessible toilets are available at several of our premises, providing privacy, space, and ease of use for persons with disabilities.

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.

We have an equal opportunity policy that covers all persons with disabilities as defined by the Rights of Persons with Disabilities Act,2016 and rules thereunder. We do not discriminate, and prohibit any kind of discrimination to full time/part time employees, interns, trainees, apprentices, contractual staff, including temporary contractual staff. The policy applies to all aspects of employment, be it recruitment, training, working conditions, salaries, transfers, employee benefits and career development. As part of our commitment to value and respect each other, we strive to create a working environment where we create a safe, supportive and welcoming environment for employees, suppliers, business partners and visitors that recognizes inherent dignity and worth of a person.

We provide equal employment opportunities for all and treat all individuals fairly, with dignity and respect. We do not tolerate discrimination, harassment or bullying in any form including, without limitation, actions that are based on gender, gender identity, gender expression and any form or disabilities.

5. Return to work and 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	100%	100%	-	-
Female	100%	70%	-	-
Total	100%	85%	-	-

Note: During the year FY24-25, no permanent worker availed parental leave.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees? (If yes, then give details of the mechanism in brief)

Particulars	Details of the mechanism
Permanent Workers	Yes, we have introduced ‘SpeakUp’, a confidential service to raise concerns about non-compliance to law, code of conduct and policies. The service is available 24hours a day,365 days a year, to all employees, contractors or any other interested part. website - www.DiageoSpeakUp.com
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.

Category	FY 2024 -25			FY 2023 -24		
	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)	% (D/C)
Total Permanent Employees	1486	0	0%	1402	0	0%
Male	1,065	0	0%	1019	0	0%
Female	421	0	0%	383	0	0%
Total Permanent Workers	934	923	99%	1196	1185	99%
Male	870	859	99%	1128	1117	99%
Female	64	64	100%	68	68	100%

Note: Above details pertain to permanent employees and workers.

8. Details of training given to employees and workers

Category	FY 2024 -25					FY 2023 -24				
	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	1065	1056	99%	760	71%	1019	956	94%	538	53%
Female	421	411	98%	299	71%	383	344	90%	250	65%
Total	1486	1467	99%	1059	71%	1402	1,300	93%	788	56%
Workers										
Male	870	722	83%	669	77%	1128	793	70%	652	58%
Female	64	64	100%	64	100%	68	56	82%	38	56%
Total	934	786	84%	733	78%	1196	849	71%	690	58%

Note: Above details pertain to permanent employees and workers.

9. Details of performance and career development reviews of employees and worker

Category	FY 2024 -25			FY 2023 -24		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	1065	984	92%	1,019	968	95%
Female	421	351	83%	383	341	89%
Total	1486	1335	90%	1,402	1,309	93%
Workers						
Male	870	0	0%	1,128	0	0%
Female	64	0	0%	68	0	0%
Total	934	0	0%	1,196	0	0%

Note 1: Above details pertain to permanent employees and workers.

Note 2: We follow the P4G (Partner for Growth) process for employees, which operates on a July-to-June cycle. Workers are governed by established agreements with the Workers’ Union.

10a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such a system?

Yes, one of the key ways in which we show that we value each other is by keeping ourselves and all those around us safe. Our health and safety initiatives encompass all operations across India, fully complying with the laws and regulations set by the Indian Government. Our Global Risk Management System (GRMS) forms the foundation of our Occupational Health and Safety (OHS) approach, providing a structured, system-driven framework that embeds health and safety practices across all business operations. Central to this is the Severe & Fatal Incident Prevention (SFIP) framework, which comprises 11 Standards designed to proactively manage and reduce critical risks. Each location conducts self-assessments at defined intervals to evaluate compliance with these SFIP Standards, ensuring continuous improvement and accountability. The OHS programs are managed locally guided by a strong governance framework led by Line Management and the Head of Environment, Health, and Safety (EHS). Identified gaps are documented and addressed through corrective actions to ensure continuous improvement and alignment with safety requirements. It encompasses risk assessments, safety training, emergency procedures, regular safety audits, and the implementation of safety measures that align with both national and international standards.

10b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

We employ a structured and codified approach to routinely identify work-related hazards and assess associated risks across all sites and business units. This includes formal risk assessments, regular safety inspections, job safety analysis, task observations, and walk-throughs conducted by trained personnel. These processes are applied to ensure that emerging or infrequent risks are proactively addressed. We maintain a formal hazard reporting mechanism through the Safety Information Report Card (SIRC) system, which is accessible to all employees, contractors, and visitors. This system supplements our proactive hazard identification efforts by enabling anyone to report unsafe conditions or behaviours in real time.

In addition to routine safety assessments, we have established Permit to Work procedures to ensure that all non-routine hazardous activities are carried out in a controlled manner considering the risks involved in new projects, changes in processes, or during the implementation of new machinery or technology. This procedure applies to all non-routine activities including but not limited to: work at height, hot work, work inside the confined space, work on electrical installations, excavation, work on fragile roof, work on hazardous energy etc. Before implementing any major operational changes, we conduct thorough risk assessments in accordance with our Risk Assessment and Control Procedure.

This integrated approach enables us to proactively identify and address potential risks associated in operations, ensuring the safety of our workforce.

10c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

We have established clear processes that empower employees and workers to report work-related hazards and withdraw from any task or area they perceive as unsafe, encouraging immediate action and reporting to ensure a safe working environment. Our primary reporting tool is the Safety Information Report Card (SIRC), which allows employees to document and submit hazard observations either

in physical form or digitally via a QR code, ensuring ease of access and broad participation. In addition to individual reporting, safety concerns are actively addressed during T-1 shop floor reviews, where safety is always the first item on the agenda. A dedicated action management system, is used to monitor all reported hazards, assign action owners, and establish clear deadlines for resolution. To further support ongoing oversight, each business unit operates a Central Safety Committee, composed of equal representation from workers and management. The committee meets regularly to review safety performance, address unresolved issues, and ensure timely follow-up, with all actions tracked to closure.

10d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

We are committed to supporting our employees’ well-being through comprehensive medical, mental, and financial wellness initiatives. All employees receive medical insurance, with optional enhancements. Our heathcare offerings cover preventive care, specialist consultations, and mental health support. To promote wellness, we organize regular Health and Wellbeing Awareness sessions on topics like mindfulness, nutrition, and lifestyle management. Our *Employee Assistance Program (EAP)* offers confidential counseling for personal and workplace challenges. We also encourage healthy lifestyle choices through initiatives like the *DRINKiQ* e-learning course and enhance financial well-being with *Nudge*, a global financial education platform.

11. Details of safety related incidents

Safety Incident/Number	Category	FY 2024 -25	FY 2023 -24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.44	0.55
	Workers	0.36	0.43
Total recordable work-related injuries	Employees	2	4
	Workers	7	4
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

Note 1: As per the Industry Standards Note on BRSR Core released by SEBI, number of permanent disabilities is disclosed under High Consequence Work related Injuries/ Ill health’.

Note 2: The reported number of LTI is considered for the case where the Injured Person was not able to resume back to his duty within 24 hours. Post treatment all injured persons were fit and back to normal health.

Note 3: Reasonable Assurance has been undertaken by Price Waterhouse & Co Chartered Accountants LLP on the indicators in the table above, other than on ‘Total recordable work-related injuries’.

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

We are steadfast in our commitment to ensuring a safe and healthy workplace for all employees and workers. Guided by our vision of zero harm, we have developed a structured and strategic approach to safety, anchored in six key pillars:

1. Visible Felt Leadership

Leadership engagement is central to our safety culture. Senior leaders actively participate in safety walkabouts across manufacturing sites, reinforcing safety as a core value. Proactive safety indicators are tracked and reviewed regularly to ensure ongoing focus and accountability across the organization.

2. Behavioral Safety Program

Our enterprise-wide Behaviour-Based Safety (BBS) program drives cultural transformation by equipping line managers with structured training and deploying trained observers to conduct Focus Safety Observations. In FY2024–25, we introduced SBO 2.0, a three-pronged enhancement featuring structured onboarding via a three-day certification for new employees, consistent weekly observations, and an analytics tool to support data-led decision-making. Observer participation increased from 84% to 92% year-over-year.

3. Severe and Fatal Incident Prevention (SFIP) Program

The SFIP program targets 11 critical safety areas, emphasizing the prevention of high-risk incidents and hazardous exposures. Eleven Life-Saving Rules have been implemented organization-wide, supported by regular self-checks and gap analyses. A centralized platform tracks compliance and performance through scorecards to drive continuous improvement.

4. Training and Engagement

We invest significantly in capability building through regular training on high-risk activities, including working at height, confined space entry, first aid, and risk assessment. Simultaneously, employee engagement is driven by safety campaigns such as National Safety Month and Road Safety Week, fostering awareness and participation at all levels.

5. Process Safety and Safe Driving Initiatives

Our safety commitment extends beyond the workplace through initiatives like Process Safety Management and the i-Drive Safe program, which promote defensive driving and responsible behavior on the road.

6. Governance and Audits

Strong governance underpins our safety strategy. We conduct regular internal and external audits, safety inspections, and risk assessments to ensure consistent compliance with protocols. All findings are addressed and tracked to closure, reinforcing a culture of accountability and continuous improvement.

13 Number of Complaints on the following made by employees and workers

	FY 2024 -25			FY 2023 -24		
	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	7	1	-	4	0	-
Health & Safety	2	0	-	5	0	-

14 Assessments for the year

All our business sites adhere to our Global Risk Management System (GRMS), including the Severe Fatality Incident Prevention (SFIP) program, which aligns with international standards such as ISO 45001. Additionally, as part of our assurance process, all sites undergo annual third-party health and safety compliance audits.

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)	
Health and safety practices	100%
Working Conditions	100%

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.

There have been no safety-related incidents or significant risks arising from assessments of health and safety practices and working conditions.

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, the company covers all the employees and permanent workers under the ‘Group Term Life Insurance’ to cover the risk of any unfortunate events.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

To ensure that statutory dues are properly deducted and deposited, our Responsible Sourcing Program mandates that all high-risk value chain partners undergo audits under the SEDEX protocol, specifically the SMETA Four-Pillar Audit. This audit focuses on key compliance areas, including the accurate deduction and deposit of statutory dues, such as taxes and social security contributions. Identified issues, if any, are addressed promptly through corrective actions, ensuring legal compliance and fostering ethical practices across the value chain.

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 rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment.

	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 2024 -25	FY 2023 -24	FY 2024 -25	FY 2023 -24
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, we are committed to the ongoing development of our workforce, continuously investing in building contemporary skills and capabilities while offering diverse experiences to enhance employees’ employability. We strive to ensure smooth transitions for employees, whether due to retirement or termination, by providing tailored support. On a case-by-case basis, we offer outplacement services through our trusted service partners to assist impacted employees in securing alternate opportunities.

5. Details on assessment of value chain partners

Under the Responsible Sourcing Program, all high-risk value chain partners undergo audits in accordance with the SEDEX protocol, utilizing the SMETA four-pillar audit framework. This comprehensive audit process ensures a thorough evaluation of health and safety standards, as well as working conditions, for all high-risk partners, reinforcing our commitment to responsible sourcing and ethical business practices across the supply chain.

% of value chain partners (by value of business done with such partners) that were assessed	
Health and safety practices	62% of the value chain partners under our Responsible Sourcing Programme were assessed, covering raw materials such as Extra Neutral Alcohol (ENA), scotch, molasses, malt, barley, food flavours, imported scotch, market bottles, and packaging materials.
Working Conditions	

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.

During the reporting period, our assessments did not reveal any significant risks/ concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Principle 4:

Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Stakeholders are integral to our journey of building a resilient business, a sustainable planet and equitable societies. We actively communicate and interact with various stakeholders, including consumers, employees, communities, investors, supply chain partners, government/ regulators and others, to create long-term value while balancing the diverse interests of all parties involved. We take a structured approach to identifying all stakeholders who are affected by or have the ability to influence our business.

This process involves the following key steps:

Mapping Stakeholders: We conduct a robust stakeholder mapping process, which includes identifying both internal and external stakeholders. This process helps us understand the dynamics of our ecosystem, including how various groups are affected by our operations and how they may influence our business.

Assessing Influence and Impact: Once stakeholders are identified, we assess their level of influence and the potential impact of our business on their interests.

Continuous Monitoring: Stakeholder identification is an ongoing process. As the business environment evolves, we regularly revisit to capture new and emerging stakeholders and reassess the relationships with existing ones. This includes changes due to mergers, acquisitions, policy shifts, market trends, and environmental factors.

The Stakeholders Relationship and General Committee (SGRC) is actively functioning within our Board of Directors, and its terms of reference are available on the company website: <https://www.diageoindia.com/~media/Files/D/Diageo-V2/Diageo-India/investors/shareholder-centre/policies/2025/stakeholders-relationship-and-general-committee-charter.pdf>.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder 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
Consumers	No	- Corporate website - Social Media - Consumer complaints on corporate Mail ID - ‘contact us’ & corporate communications - Advertisements and Advertorials - Annual report - Logo presence/banners/panels at industry events - Press Release and announcements	Throughout the year	Understand consumer needs and preferences, Improving products and services, Responsible consumption, Sustainability, Customer service responsiveness, Community projects
Employees	No	- Email - Surveys - Internal Employee Portal - Employee townhalls & celebrations	Throughout the year	Growth and development opportunities, Recognition and rewards, Leadership communication, Diversity, equity, and inclusion, Health, safety, and mental well-being
Communities	No	- Community meetings - Annual CSR Booklet	Throughout the year	Positive Drinking programmes, Sustainable livelihood, Resource conservation etc.
Investors	No	- Annual general meetings - Annual Report - Shareholder meets - Postal Ballot - Email & Stock Exchange Updates - ESG reporting index - Statutory Filings & Result Announcements - Quarterly Management calls - Dedicated Investor Relation Section on website - Investor conferences - One-on-one and Group meetings - Dedicated investor contact- investor.india@diageo.com	Throughout the year	Financial results and profitability, Business strategy and long-term growth plans, Risk management and market outlook, ESG performance, Capital allocation and dividend policy, Corporate governance

Stakeholder 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
Supply Chain Partners	No	- Supplier meetings - Supply Performance Management	Throughout the year	Supplier performance, Quality control, Sustainability, Ethical sourcing, Regulatory compliance, Technology integration and transformation
Government/ regulators	No	- Industry Association meeting - Statutory Reports and Compliance Documents - Direct Engagement with Government Agencies	Throughout the year	Regulatory Compliance, Taxation policies, Labor laws, Industry-specific regulations, Economic and trade policies, Public policy related to sustainability

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.

We prioritize transparent and effective consultation between stakeholders and the Board to address economic, environmental, and social issues. Our cross-functional team, the Diageo India Leadership Team (DILT), is responsible for embedding ESG into our business processes. We also establish feedback loops through public reports, website updates, and follow-up meetings to keep stakeholders informed. We are committed to ensuring that stakeholders see the tangible impact of their feedback, fostering trust and strengthening our ongoing relationship.

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 of the entity.

Yes, Stakeholder consultation is central to how we identify and manage environmental and social priorities. We engage regularly with a diverse set of stakeholders to gather insights that shape our policies, programs, and decision-making. These perspectives are embedded in our **Spirit of Progress** ESG action plan, which reflects our commitment to creating a more inclusive and sustainable future. By aligning our actions with stakeholder expectations, we ensure that we address critical challenges and deliver meaningful, long-term impact.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

At the heart of our CSR philosophy is a commitment to inclusivity, sustainability, and community-driven impact. We recognize the importance of addressing the needs of vulnerable and marginalized groups, and our initiatives are thoughtfully designed to create long-term, positive change.

Our approach combines direct support, strategic partnerships with NGOs, and grassroots community engagement. We believe in a need-based and participatory model of CSR—each programme is developed in close consultation with community members to ensure relevance and effectiveness.

Women’s empowerment remains a core pillar across all our programmes, with **women representing 50%** of the beneficiaries in our community interventions. By placing women at the center of our efforts, we aim to foster more equitable and resilient communities.

Through our Water Conservation and **‘Water for Life’ programme**, we strive to increase access to potable drinking water and WASH (Water, Sanitation, and Hygiene) facilities. Beyond infrastructure, we work with communities to promote sustainable water management practices, creating lasting environmental and social impact.

Our **‘Learning for Life’** skilling initiative is tailored for individuals seeking opportunities in the hospitality sector particularly those who have faced barriers to employment. The programme provides comprehensive business and hospitality training to enhance employability, improve livelihoods, and contribute to a vibrant and inclusive hospitality industry. A key focus within this initiative is the residential hospitality training offered to people with disabilities. By equipping them with industry-relevant skills and resources, we aim to empower this vulnerable group with the tools needed for sustainable livelihoods and greater social inclusion.

Principle 5: Businesses should respect and promote human rights.

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity in the following format:

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
Employees						
Permanent	1486	1486	100%	1402	1402	100%
Other than permanent	18	17	94%	70	27	39%
Total Employees	1504	1503	100%	1472	1429	97%
Workers						
Permanent	934	533	57%	1196	255	21%
Other than permanent	3253	1722	53%	3184	0	0%
Total Workers	4187	2255	54%	4380	255	6%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2024-25					FY 2023-24				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (A)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (B)	% (B/A)	No. (C)	% (C/A)
Employees										
Permanent	1486	0	0%	1486	100%	1402	0	0%	1402	100%
Male	1065	0	0%	1065	100%	1019	0	0%	1019	100%
Female	421	0	0%	421	100%	383	0	0%	383	100%
Other than Permanent	18	0	0%	18	100%	70	0	0%	70	100%
Male	12	0	0%	12	100%	59	0	0%	59	100%
Female	6	0	0%	6	100%	11	0	0%	11	100%
Workers										
Permanent	934	0	0%	934	100%	1196	0	0%	1196	100%
Male	870	0	0%	870	100%	1128	0	0%	1128	100%
Female	64	0	0%	64	100%	68	0	0%	68	100%
Other than Permanent	3253	3253	100%	0	0%	3184	3184	100%	0	0%
Male	2471	2471	100%	0	0%	2523	2523	100%	0	0%
Female	782	782	100%	0	0%	661	661	100%	0	0%

3a. Details of remuneration/salary/wages, in the following format:

Category	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	6	5,095,000	3	3,145,000
Key Managerial Personnel	2	32,989,204	1	303,302,568
Employees other than BoD and KMP	1063	1,738,644	420	1,706,719
Permanent Workers	870	503,457	64	497,374

Note 1: The BoD remuneration comprises of remuneration paid to Key Managerial Personnel and Independent Directors and excludes Non-Executive Directors.

Note 2: The female KMP median remuneration also includes final settlement payout and performance-linked Stock Appreciation Rights (SAR).

Note 3: The median salary for employees other than BoD and KMP includes payments Stock Appreciation Rights (SAR) and excludes gratuity and leave encashment recognised based on actuarial valuation, as separate figures are not available.

Note 4: The median remuneration for permanent workers is determined on a gross wage basis.

Note 5: Employee and workers who have exited during year are not considered for Median remuneration.

3b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

Particulars	FY 2024 -25	FY 2023 -24
Gross wages paid to females as % of total wages	22%	22%

Note 1: As per the Industry Standards Note on BRSR Core released by SEBI, in addition to the permanent employees, gross wages paid to other than permanent employees/workers have also been considered for the current year period 2024-25. Hence, the figures are not comparable to last year’s figures to that extent.

Note 2: Gross wages paid to females and total wages includes actual expenditure incurred in relation to the permanent employees for the year ended 31st March 2025. The actual expenditure have been reconciled to the amount of salaries, wages, and bonus as per the Audited Standalone Financial Statements for the year ended 31st March 2025.

Note 3: For Owned Manufacturing sites, details of gross wages paid to female contractual employees and workers have been reported based on actual expenditure. For owned and leased Offices and Warehouses, contractual employees and workers are engaged through fixed-price service contracts (payments are not material relative to the total salary and wages and contractual payments), where gender-wise payments made to contractors for contractual female workers has been estimated using proportional data for remaining employees/ workers.

Note 4: Reasonable Assurance has been undertaken by Price Waterhouse & Co Chartered Accountants LLP on the indicators in the table above.

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, human rights issues are managed by our Business Integrity ambassadors, who are responsible for identifying, monitoring, and addressing potential human rights risks within our operations and value chain. They also work to implement strategies that uphold our commitment to ethical business practices.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

SpeakUp is a confidential service to raise concerns about compliance to the law, our Code, any of our policies or standards or any other compliance and ethics matters. The service is available 24 hours a day, 365 days a year, to all employees, contractors or any other interested party such as suppliers or customers. It is managed by an independent, external company with staff trained to deal with reports. Translators are available for individuals whose first language is not English. All reports are forwarded to our Risk and Compliance team who decide upon next steps. Overall statistics and significant matters are reported quarterly in summary format to our Executive and Audit Committees.

To file a complaint, below modes can be used-

Website - www.DiageoSpeakUp.com

Call toll-free number - Dial 000117 and once prompted dial 8553822630 to talk with an independent operator (available in English, Hindi, Kannada, Telugu, Bengali and Marathi)

Email – reach.compliance@diageo.com

Communication address - Business Integrity Team, United Spirits Limited (Diageo India), 9th Floor, Canberra, UB City, Vitthal Mallaya Road, Bengaluru - 560001

The SpeakUp channel is accessible on the company’s website at <https://www.diageoindia.com/en/about-us/corporate-governance/speak-up>

6. Number of Complaints on the following made by employees and workers:

Category	FY 2024 -25			FY 2023 -24		
	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	2	1	-	2	0	-
Discrimination at workplace	1	0	-	3	0	-
Child Labour	1	1	-	0	0	-
Forced Labour/Involuntary Labour	0	0	-	0	0	-
Wages	2	1	Resolved after 31 st Mar’25	0	0	-
Other human rights related issues	0	0	-	0	0	-

Note: All pending cases as of 31st March 2025 are being actively evaluated in line with internal protocols and legal requirements.

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Particulars	FY 2024 -25	FY 2023 -24
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	2	2
Complaints on POSH as a % of female employees/workers	0.43%	0.45%
Complaints on POSH upheld	1	2

Note 1: During the FY 2024-25, two cases have been reported. Of these, one case has been upheld, while one is currently under review as of March 31, 2025.

Note 2: Permanent female employees and workers have been considered to arrive at the % complaints on POSH.

Note 3: Reasonable Assurance has been undertaken by Price Waterhouse & Co Chartered Accountants LLP, on the indicators in the table above.

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

We recognize that raising concerns in good faith requires courage, and at times, the fear of retaliation may hold individuals back. Therefore, we have a zero-tolerance policy and take appropriate measures to prohibit any form of intimidation or retaliation against anyone who reports a concern or assists with an investigation in good faith. Anyone found to be involved in reprising against an individual who has raised a concern is subject to disciplinary action. We also offer the option to report concerns anonymously. All concerns raised through SpeakUp are assigned to trained investigators, who conduct investigations with the utmost confidentiality and integrity.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, we recognize our responsibility to uphold and promote international human rights standards in all aspects of our operations. As a testament to this commitment, we are a signatory of the UN Global Compact and operate in alignment with the UN Guiding Principles on Business and Human Rights. We have implemented a robust human rights policy, guided by the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work, and embedded in our Code of Business Conduct (CoBC). The CoBC extends to all our value chain partners, ensuring compliance and setting clear expectations for ethical behavior and adherence to legal and human rights standards.

10. Assessments for the year % of your plants and offices that were assessed (by entity or statutory authorities or third parties)

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Sexual Harassment	100% of our plants and offices are comprehensively assessed on human rights parameter, guided by our Code of Business Conduct (CoBC).
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

There were no significant risks / concerns arising from the Human rights assessments at our plant and offices.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

No significant issues have been identified necessitating changes to our business processes for addressing human rights grievances or complaints. Our CoBC remains comprehensive and effective in this area.

2. Details of the scope and coverage of any Human rights due diligence conducted.

We are dedicated to conducting thorough human rights due diligence across our operations and the value chain. Our approach is aligned with internationally recognized frameworks, including the UN Guiding Principles on Business and Human Rights and relevant ILO conventions. We regularly assess potential and actual human rights risks affecting our employees and other stakeholders. This includes evaluating working conditions, non-discrimination, freedom of association, health and safety, and access to grievance mechanisms. Our robust Human Rights policy, embedded in our Code of Business Conduct, sets clear expectations for ethical behavior. All employees receive training, with additional role-specific training for higher-risk functions. We also offer the SpeakUp grievance mechanism for confidential reporting without fear of retaliation.

Beyond our own operations, we conduct human rights risk assessments across our value chain. Our Partnering with Suppliers standard, which is a contractual obligation, sets clear expectations for suppliers. We conduct regular supplier assessments, including Supplier Ethical Data Exchange (SEDEX) and SMETA (Sedex Members Ethical Trade Audit) audits, to monitor labour and human rights practices. Our performance in relation to human rights is transparently communicated through our Integrated Annual Report, which details both our internal actions and supply chain efforts.

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, we are committed to ensuring that our premises are accessible and welcoming to all. In alignment with the ‘Harmonised Guidelines & Standards for Universal Accessibility in India, 2021’ framed under the Rights of Persons with Disabilities Act, 2016, we have undertaken comprehensive measures to ensure inclusive and accessible environments across our premises-

Mobility Support: Wheelchairs and designated space allowances are provided for users of crutches and white canes. Seamless access routes connect all major entrances and exits with key transport points, including taxi stands and parking areas.

Vertical Accessibility: Ramps are installed to facilitate movement across levels for wheelchair users. In recognition that many ambulant individuals with disabilities may prefer stairs, both ramps and steps are provided for safe and convenient access.

Barrier-Free Circulation: Internal corridors and pathways are designed to be free of obstacles, projections, or protrusions. Lighting throughout these spaces is even, diffused, and designed to minimize glare, reflections, or shadows. Flooring is stable, level, slip-resistant, and finished with a matte surface to prevent slips or trips.

Accessible Doors: Doors are operable with one hand and do not require tight grasping, pinching, or twisting motions. They do not open directly outward from rooms and are fitted with exposed, accessible hardware usable from both sides.

Handrails and Grab Bars: Installed throughout circulation areas, handrails and grab bars are designed for easy and secure gripping. They offer essential support for individuals with disabilities and elderly users to maintain balance and safety.

Signage and Wayfinding: Clear and visible signage is provided at key junctions, circulation routes, and destinations such as doorways, reception areas, drinking water stations, and toilets. Both audible and visual alarms are in place to assist users during emergencies, with lifts equipped with visual indicators for enhanced accessibility.

Accessible Restrooms: Unisex accessible toilets are available at several of our premises, providing privacy, space, and ease of use for persons with disabilities.

4. Details on assessment of value chain partners

The assessment of our value chain partners is conducted through the Supplier Ethical Data Exchange (SEDEX) and SMETA (Sedex Members Ethical Trade Audit) 4-Pillar audit framework, which covers key areas of labor, health and safety, the environment, and business ethics. This audit approach helps us ensure that our suppliers and partners adhere to ethical standards and human rights practices across all stages of the value chain. Compliance with regulations and ethical standards related to working conditions, employee rights, health and safety measures, and environmental impact are evaluated. If any issues are identified during the audit, corrective action plans are developed, and suppliers are required to implement them to mitigate any risks.

Category	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	62%* of the value chain partners under our Responsible Sourcing Programme were assessed, covering raw materials such as Extra Neutral Alcohol (ENA), scotch, molasses, malt, barley, food flavors, imported scotch, market bottles, and packaging materials.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Other please specify	

*Value chain partners that were assessed / Total suppliers under Responsible Sourcing Program.

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Following the Supplier Ethical Data Exchange (SEDEX) and SMETA (Sedex Members Ethical Trade Audit) 4-Pillar audit, corrective actions are being implemented to address significant risks identified within the value chain. These actions primarily focus on improving labor and human rights, enhancing workplace health and safety, ensuring environmental compliance, and upholding ethical business practices.

For the FY25 period, 14 suppliers have been identified with issues related to wages. We are actively engaging with these suppliers to raise awareness about labor laws, introduce worker welfare programs, and enforce zero-tolerance policies against child labor and discrimination. To mitigate risks and promote supply chain sustainability, efforts focus on strengthening relationships with suppliers, maintaining consistent reporting practices, and supporting the well-being of local communities.

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.

Parameter	FY 2024 -25	FY 2023 -24
Energy Consumption in Giga Joules (GJ)		
From Renewable Sources		
Total electricity consumption (A)	9,212	9,535
Total fuel consumption (B)	8,70,012	8,89,078
Energy consumption through other sources (C)	0	0
Total renewable energy consumption (A+B+C)	8,79,224	8,98,613
From Non-Renewable Sources		
Total electricity consumption (D)	48,830	49,415
Total fuel consumption (E)	8,798	13,504
Energy consumption through other sources (F)	0	0
Total non-renewable energy consumption (D+E+F)	57,628	62,919
Total energy consumption (renewable and non-renewable)	9,36,852	9,61,532
Energy Intensity		
Energy intensity per rupee of turnover (Total energy consumption/ turnover in crores) (GJ/Cr)	34.98	37.87
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity -PPP) - (Total energy consumed / Revenue from operations adjusted for PPP)	722.75	866.59
Energy intensity by physical output (GJ/KL)	4.09	4.13
Optional Indicator		
Energy intensity for kilolitre of beverage packed (GJ/KL)	0.15	0.13
Energy intensity for kilolitre of Spirit distilled (GJ/KL)	22.93	26.12

Note 1: The energy consumption reported in the table above includes data pertaining to Owned Manufacturing sites, owned and leased Offices and Warehouses.

Note 2: For ‘intensity per rupee of turnover’, total revenue from operations has been considered as turnover as per Note 20 of Audited Standalone Financial Statements.

Note 3: Percentage of energy consumed through renewable sources with respect to the total energy consumed is 93.85% in FY 2024-25 as compared to 93.46% in FY 2023-24.

Note 4: The Purchasing Power Parity (PPP) factor considered is 20.66 as per IMF (FY 2023-24: 22.882 as per OECD).

Note 5: Total physical output has been considered as beverage packed at USL Owned Manufacturing sites and spirits produced and sold.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

Yes, Reasonable Assurance has been obtained from Price Waterhouse & Co Chartered Accountants LLP, on the indicators in the table above other than Optional indicators.

Optional Indicator and other Notes

Note 6: Renewable energy is 99.06 % after considering International Renewable Energy Certificates (i-RECs).

Note 7: The energy intensity is reported for the energy consumed in the packaging operations in ‘GJ’ to the volume of beverage packed in ‘KL’ across USL Owned Manufacturing sites (consistent with GRI Index).

Note 8: The energy intensity is reported for the energy consumed in the distillation operations in ‘GJ’ to the volume of spirit distilled ‘KL’ across USL Owned Manufacturing sites (consistent with GRI Index).

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? (Y/N) 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, as the Company does not fall in the category (as Designated Consumer) of industries mandated under the Performance, Achieve and Trade (PAT) scheme.

3. Details of Disclosures related to water.

Parameter	FY 2024 -25	FY 2023 -24
Water withdrawal by source (in kilolitres)		
(i) Surface water	4,64,972	4,20,808
(ii) Groundwater	1,05,434	1,31,073
(iii) Third party water	1,08,008	1,61,775
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	6,78,414	7,13,656
Total volume of water consumption (in kilolitres)	6,71,757	6,99,838
Water intensity		
Water intensity per rupee of turnover (Water consumed / turnover) (KL/Cr)	25.08	27.56
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	518.24	630.73
Water intensity by Physical output (KL/KL)	2.93	3.01
Optional Indicator		
Water intensity (per kiloliter of beverage packed) (KL/KL)	1.01	1.08
Water intensity (per kiloliter of spirit distilled) (KL/KL)	11.61	13.06

Note 1: The water withdrawal and consumption reported in the table above includes data pertaining to Owned Manufacturing sites, owned and leased Offices and Warehouses.

Note 2: Surface water reported in the table includes water withdrawn from river source, rainwater and storm water.

Note 3: For ‘intensity per rupee of turnover’, total revenue from operations has been considered as turnover as per Note 20 of Audited Standalone Financial Statements.

Note 4: The Purchasing Power Parity (PPP) factor considered is 20.66 as per IMF (FY 2023-24: 22.882 as per OECD).

Note 5: Total physical output has been considered as beverage packed at USL Owned Manufacturing sites and spirits produced and sold.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

Yes, Reasonable Assurance has been obtained from Price Waterhouse & Co Chartered Accountants LLP, on the indicators in the table above on the total volume of water consumption, water intensity per crore rupee of turnover, water intensity per crore rupee of turnover adjusted for Purchasing Power Parity (PPP) and water intensity in terms of physical output (KL/KL) for FY 2024-25.

Optional Indicator Notes

Note 6: The water intensity is reported for the water consumed in the packaging operations in ‘KL’ to the volume of beverage packed in ‘KL’ across USL Owned Manufacturing sites (consistent with GRI Index).

Note 7: The water intensity is reported for the water consumed in the distillation operations in ‘KL’ to the volume of spirit distilled ‘KL’ across USL Owned Manufacturing sites (consistent with GRI Index).

4. Provide the following details related to water discharged.

Parameter	FY 2024 -25	FY 2023 -24
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third parties		
- No treatment	6,557	13,638
- With treatment – pH Neutralization	100	180
(v) Others		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kilolitres)	6,657	13,818

Note 1: The water discharge details reported in the table above includes data pertaining to Owned Manufacturing sites, owned and leased Offices and Warehouses.

Note 2: Figures of water sent to third parties in the table above are from three Owned plants, in compliance with the respective Consent to Operate (CTO) where as per the directions the wastewater is sent to Common Effluent Treatment Plant (CETP) (third party) for treatment and owned and leased Offices and Warehouses, where water discharge is estimated to be 80% of the total water withdrawn. The remaining sites are Zero Liquid Discharge (ZLD) units, where all wastewater is treated and recycled internally within the facility, with no discharge of water outside the site.

Source: CPCB report on waste water discharge for domestic use -

<https://cpcb.nic.in/openpdf?file=UmVwb3J0RmlsZXNmMjlfMTQ1ODExMDk5MI9OZXdJdGVtXzE5NV9TVFBfUkVQT1JULnBkZg#:~:text=Almost%2080%25%20of%20the%20water,causing%20pollution%20in%20downstream%20areas.>

Note 3: The reduction in water discharge is due to the operational ramp-down of our non-zero liquid discharge units.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

Yes, Reasonable Assurance has been undertaken by Price Waterhouse & Co Chartered Accountants LLP, on the indicators in the table above.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, we have implemented Zero Liquid Discharge (ZLD) outside plant boundary. Recognizing the importance of preserving water as a resource we focus on maximizing recycling and reusing treated wastewater on-site, effectively reducing the need for freshwater intake. Such recycled water is used in cooling towers, bottle washing, toilet flushing, and gardening. As per the Consent directions from Pollution Control Board, in 8 out of 11 Own Manufacturing units the wastewater is treated onsite, while the rest of the 3 units the wastewater is sent to Common Effluent Treatment Plant (CETP) in compliance with the conditions issued by the State Pollution Control Board (SPCB). The wastewater sent to CETP for treatment is also verified by the auditors during BRSR Core Reasonable Assurance.

6. Please provide details of air emissions (other than GHG emissions) by the entity

Parameter	Please specify unit	FY 2024 -25	FY 2023 -24
NOx	Mt	38.13	34.59
Sox	Mt	12.64	13.35
Particulate matter (PM)	Mt	39.64	34.75
Persistent organic pollutants (POP)	Mt	NA	NA
Volatile organic compounds (VOC)	Mt	NA	NA
Hazardous air pollutants (HAP)	Mt	NA	NA
Others – please specify	Mt	NA	NA

Note 1: Figures from the previous year have been revised due to a correction in the calculation methodology.

Note 2: Air emission details in the table above include data pertaining to USL Owned Manufacturing sites.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, external agency has not been involved in assessment /evaluation/ assurance.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity.

Parameter	FY 2024 -25	FY 2023 -24
GHG Emissions in Metric Tonnes (MT) of CO2e -		
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	2386	2,859
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	9857	9,828
Emissions Intensity		
Total Scope 1 and Scope 2 emissions per rupee of turnover Total emissions / turnover in rupees) (MT CO2e/Cr)	0.46	0.50
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	9.45	11.43
Total Scope 1 and Scope 2 emission intensity in terms of physical output (MT CO2e/KL)	0.05	0.05
Optional Indicator		
Total Scope 1 and Scope 2 emission intensity per Litre of Beverage packed(MT CO2e /KL)	0.02	0.02
Total Scope 1 and Scope 2 emission intensity per Litre of Spirit distilled (MT CO2e/KL)	0.16	0.18

Note 1: The GHG emissions reported in the table above includes data pertaining to Owned Manufacturing sites, owned and leased Offices and Warehouses.

Note 2: The Scope 1 emissions reported in the table is as per DEFRA 2024, version 1.1, emissions factors for Diesel, LPG and Petrol.

Note 3: During FY 2024 - 25, we have updated factors used in the methodology of quantifying emission of bioenergy sources for direct operations to ensure better representation of emissions reporting to our operations. This update involved utilizing the ‘UK National Atmospheric Emissions Inventory’ (NAEI) 2022 factors for ‘Other industrial combustion’ and converting the emission factors from a net energy basis to a gross energy basis using ‘Department for Energy Security and Net Zero’ (DESNZ) and ‘The Digest of UK Energy Statistics (DUKES) 2023’ data. In line with the requirement of the GHG protocol, the change has been applied retrospectively, back to the baseline year 2019-20, to ensure consistency and comparability. As a result, the GHG Scope 1 emissions for FY 2023-24 has been revised from 4,442 Mt CO2e to 2,859 Mt CO2e (decline by 36%). The related reduction in GHG emissions intensity (Scope 1 and Scope 2) by revenue from operations adjusted from PPP and total physical output is from 12.86 and 0.06 to 11.43 and 0.05 respectively (decline by 11%).

Note 4: For financial year 2024-25 the biogenic CO2 emissions from combustion of biomass (rice husk & briquettes) from our direct operations were 82,221 MT.

Note 5: Scope 2 Market Based Emission is ‘0’ after considering International Renewable Energy Certificates (i-RECs).

Note 6: For ‘intensity per rupee of turnover’, total revenue from operations has been considered as turnover as per Note 20 of Audited Standalone Financial Statements.

Note 7: The Purchasing Power Parity (PPP) factor considered is 20.66 as per IMF (FY 2023-24: 22.882 as per OECD).

Note 8: Total physical output has been considered as beverage packed at USL Owned Manufacturing sites and spirits produced and sold.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

Yes, Reasonable Assurance has been undertaken by Price Waterhouse & Co Chartered Accountants LLP, on the indicators in the table above, other than Optional indicators.

Optional Indicator Notes

Note 9: The emission intensity is reported for the emission generated in the packaging operations in ‘MT Co2e’ to the volume of beverage packed in ‘KL’ across USL Owned Manufacturing sites (consistent with GRI Index).

Note 10: The emission intensity is reported for the emission generated in the distillation operations in ‘Mt Co2e’ to the volume of spirit distilled ‘KL’ across USL Owned Manufacturing sites (consistent with GRI Index).

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Accelerating to a low carbon world is part of “Spirit of Progress” - our 10- year ESG action plan for creating a more inclusive and sustainable world. Spirit of Progress encompasses our goal to mitigate and adapt to climate change through our commitment to pioneer ‘Grain to Glass’ sustainability. We’re proud to have committed to achieving net zero emissions across our direct operations by 2030. Our emission reduction strategy recognizes the inherent linkages between moving to a low carbon world and our other priorities such as protecting water resources, enhancing biodiversity, and driving innovation throughout our supply chain to reduce emissions and our reliance on the earth’s finite resources.

We are committed to transitioning away from fossil fuels in its operations. We have successfully eliminated the use of coal across all our distilleries by installing boilers that operate entirely on biomass. As a result, 100% of the thermal energy requirements at our distilleries are now met through renewable fuel sources, maintaining our zero-coal status consistently for the past five years.

Aligned with our Spirit of Progress ambition, we are also working towards achieving 100% renewable electricity across operations. We are advancing this goal through a combination of onsite renewable energy generation—via steam turbines and enhanced solar infrastructure—and the procurement of International Renewable Electricity Certificates (I-RECs) to offset electricity drawn from the grid. Solar power systems have been deployed at multiple facilities including Alwar, Goa, Kumbalgodu, Nasik, and Baramati, underscoring our commitment to clean energy adoption. We have implemented solar power projects across 5 of our operating units with a total capacity of 2.7 MW. As of 31st March 2025, the overall renewable energy share (both electrical and thermal combined) stands at 99% for our Own Manufacturing units (this is including the grid power electricity offset through i-REC certificates).

One of the office facility is currently undergoing the LEED certification process, with completion expected by FY 2026.

In addition to shifting towards renewables, we are actively focused on optimizing energy use through conservation and efficiency initiatives. These efforts are designed to reduce energy intensity, lower operational costs, and contribute meaningfully to our sustainability objectives. Notable interventions include the installation of Variable Frequency Drives (VFDs), synchronization of conveyors, use of sensors based on operating hours and occupancy, improved asset management, and the upgrade to energy-efficient systems. Collectively, these initiatives have led to annual energy savings of approximately 35,500 kWh.

Through our integrated approach—comprising fuel transition, renewable energy sourcing, and energy efficiency—USL continues to lead with action in minimizing environmental impact while advancing toward long-term decarbonization goals.

More details in Annexure 7.

9. Provide details related to waste management by the entity.

Parameter	FY 2024 -25	FY 2023 -24
Total Waste generated (in metric tonnes)		
Plastic waste (A)	655	700
E-waste (B)	1	4
Bio-medical waste (C)	0	1
Construction and demolition waste (D)	6,723	79
Battery waste (E)	1	3
Radioactive waste (F)	0	0
Other Hazardous waste. (Used oil, used chemical container, and used resins) (G)	26	14
Other Non-hazardous waste generated (H). (By products of process, spent grains, broken glasses, paper wastes, metal scrapes and fly ash)	57,371	60,235
Total (A+B + C + D + E + F + G + H)	64,777	61,035
Waste intensity		
Waste intensity per rupee of turnover (Total waste generated /Revenue from operations) (MT/Cr)	2.42	2.40
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated /Revenue from operations adjusted for PPP)	49.97	55.01
Waste intensity in terms of physical output (MT/KL)	0.28	0.26
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	64,749	60,575
(ii) Re-used	3	79
(iii) Other recovery operations	4	368
Total	64,756	61,022
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	21	13
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	21	13

Note 1: The waste details reported in the table above includes data pertaining to Owned Manufacturing sites, owned and leased Offices and Warehouses.

Note 2: The waste quantity reported in the table above is accounted for at the time of disposal and therefore waste disposed has been considered as waste generated.

Note 3: The waste ‘recycled’ and ‘reused’ has been determined based on the disposal certificates obtained from the waste aggregators.

Note 4: Total waste increased by 6%, primarily driven by a temporary surge in construction and demolition (C&D) waste. Excluding this factor, overall waste generation has decreased by 5%, reflecting the ongoing waste reduction initiatives.

Note 5: For ‘intensity per rupee of turnover’, total revenue from operations has been considered as turnover as per Note 20 of Audited Standalone Financial Statements.

Note 6: The Purchasing Power Parity (PPP) factor considered is 20.66 as per IMF (FY 2023-24: 22.882 as per OECD).

Note 7: Total physical output has been considered as beverage packed at Owned Manufacturing sites and spirits produced and sold.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

Yes, Reasonable Assurance has been undertaken by Price Waterhouse & Co Chartered Accountants LLP, on the indicators in the table above.

10. 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.

We are committed to rigorous waste management across all our sites, ensuring responsible waste handling and full compliance. Our waste segregation practices categorize waste by type, source, and disposal method, with all details tracked in a waste stream register for effective monitoring. Aligned with our circular economy commitment, we prioritize waste prevention, reduction, recycling, and recovery over disposal, minimizing environmental impact and optimizing resource use.

As part of our Spirit of Progress targets—which support our ongoing ESG strategy we are committed to achieving Zero Waste to Landfill from our direct operations by 2030. A cornerstone of this commitment is our Zero Waste to Landfill program, which demonstrates our dedication to minimizing the environmental footprint of our operations.

We have achieved Zero Waste to Landfill across all our sites, marking a significant milestone in our sustainability journey. The program ensures that all waste generated is either recycled, reused, or recovered—nothing is sent to landfill. To support this, we’ve implemented robust waste handling processes, including regular audits of certified waste handlers (at least every two years), with more frequent reviews for those still sending waste to landfill. Our Procurement teams also work closely with waste handlers to ensure a “zero waste to landfill” clause is included in contracts, especially for high-risk handlers. In line with our internal standards, we conduct annual training on “Waste Management and Waste Elimination” for all site key personnels. This training enhances their understanding and capabilities, enabling more effective waste management at the site level.

In FY2025, we further strengthened our commitment by obtaining third-party certification for one of our units on waste diversion from landfill, achieving a “Platinum” rating—the highest level on the certification scale.

Further, the management of hazardous waste is handled with the utmost care to ensure the safety of both people and the environment. While the generation of hazardous waste is minimal, we follow strict procedures for identifying, labeling, storing, and disposing of any hazardous materials in compliance with State and Central Pollution Control Board (CPCB). We also prioritize the use of non-toxic alternatives whenever possible, ensuring safer, more sustainable products.

Beyond waste management, we are also focused on sustainable packaging. Our efforts aim to reduce packaging weight, increase the use of recycled content, and enhance recyclability. Through ongoing investment in packaging R&D, we collaborate with suppliers to reduce the carbon footprint of our products, ensuring that our packaging is as sustainable as possible.

11. 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.

S. 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
All our operations and offices are in designated industrial parks/areas. None of them are in or around ecologically sensitive areas. Environmental clearance is not required for any manufacturing facility or offices of USL.			

12. Details of environmental impact assessments of projects undertaken by the entity based 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
USL has not undertaken any project which requires Environmental impact assessment in financial year 2024-25.					

13. 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 (Y/N). If not, provide details of all such non-compliances.

Yes, our operations/offices comply with applicable environmental regulations of the Country and operate as per CTO (Consent to Operate) conditions from the Central and State Pollution Control Boards.

S. No	Specify the law/regulation/guidelines which was not complied with	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
NA			

Leadership Indicators

1. 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:

(i) Name of the area

Plant site

- a. Alwar (Rajasthan)
- b. Kumbalgodu (Bangalore- East, Karnataka)
- c. Udaipur (Rajasthan) (Non-operating Unit)

Offices

- d. Bangalore HO (Karnataka)
- e. Bangalore Technical Centre (Karnataka)
- f. Gurgaon Office (Haryana)

(ii) Nature of operations

Packaging of Alco Beverage products and Distillation of Extra Neutral alcohol (from Molasses and Grains) and Fresh Malt Spirits.

(iii) Water withdrawal, consumption, and discharge in the following format:

Parameter	FY 2024 -25	FY 2023 -24
Water withdrawal by source (in kilolitres)		
(i) Surface water	2707	1,284
(ii) Groundwater	39928	39,570
(iii) Third party water	19148	21,156
(iv) Seawater / desalinated water	0	0
(v) Other	0	0
Total volume of water withdrawal (in kilolitres)	61,783	62,010
Total volume of water consumption (in kilolitres)	61,409	58,794
Water Intensity:		
Water intensity per rupee of turnover (Water consumed / turnover) (KL/ Cr)	2.29	2.32
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(iv) Sent to third parties	-	-
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

Note 1: Water stress sites classified above are based on the Central Ground Water Board, National Compilation of Dynamic Ground Water Resources of India, 2023.

Note 2: Water details considered in the table above include data pertaining to water stressed sites of Owned Manufacturing sites, owned and leased Offices.

Note 3: Surface water includes rainwater harvested and used.

Note 4: Regions classified as over-exploited and critical by the Central Ground Water Board are considered as water-stressed areas (Reference: <https://cgwb.gov.in/cgwbpnm/public/uploads/documents/17014272111704550895file.pdf>)

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2024 -25	FY 2023 -24
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	12,91,031	12,33,737
Total Scope 3 emissions per rupee of turnover	Tonnes of CO2e/Cr	48.21	48.59
Optional- Total Scope 3 emission in terms of physical output	Tonnes of CO2e/KL	5.63	5.30

Note 1: Categories covered are: Purchased Goods (Input materials) and Services (Third-Party Manufacturing sites), Capital Goods, Waste Generated in Operations, Fuel & Energy use, Upstream & Downstream logistics, Business Travel and Employee Commuting, End-of-life treatment of products sold, Franchise.

Note 2: FY2023-24 figures have been restated to reflect updates in data classification and reporting methodology.

Note 3: The latest industry standards and best practices were used for calculation and reporting, to establish the most complete, consistent, and accurate GHG emission footprint.

Note 4: We will progressively engage & collaborate with all value chain partners to ensure Global Warming Potential (GWPs)/Emission factors applied are consistent to estimate Scope 3 Emission data.

3. With respect to the ecologically sensitive areas reported at Question 11 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 since we don't have operations located in Ecologically Sensitive area.

4. 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 initiatives, as per the following format:

We have implemented a range of initiatives and deployed innovative technologies across our operations to enhance resource efficiency and reduce environmental impact.

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Integrated Water Conservation and Recycling Initiative	ETP-treated water is reused in cooling towers, backwash and RO reject water are recycled, and lees water is utilized for fermenter cleaning, significantly reducing freshwater consumption.	~34% reduction in water withdrawal (FY21 baseline)
2	Water Conservation and Reuse Enhancement Project	DM Backwash Water Reuse, Lamella Clarifier Optimization, Foam-Type Tap Installation, Rainwater Harvesting and BWWR Media Replacement	
3	Enhancement in condensate recovery	Improving steam traps to prevent leakage allows for efficient condensate water recovery and helps maintain a high temperature in the boiler feed water	~11% reduction in energy usage from Bio fuels (FY21 baseline)

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, we have a business continuity and disaster management plan which covers Business Impact Analysis (BIA), Security Risk Assessment (RA), Crisis Management Plan (CMP), Business Continuity Plan (BCP), IT Disaster Recovery Plan (DRP).

The purpose of this plan is to outline the business continuity strategies that ensure the swift resumption of critical business processes during disruptions impacting our people, sites, systems, or key third-party providers. It features a planning checklist to guide proactive measures

in preparing the business for potential disruptions. It identifies the IT procedures and strategies needed for the recovery and restoration of systems and applications that support the critical processes identified in the Business Impact Analysis (BIA). Additionally, it covers the restoration of data processing components, including infrastructure, systems, and applications. It also includes a comprehensive contact list of all service providers, suppliers, vendors, joint ventures, and business partners supporting critical processes addressing business continuity strategies for scenarios such as the unavailability of people, buildings, systems, laptops, and both internal and external dependencies. Furthermore, it includes an action plan detailing the necessary steps to take during an interruption and outlines procedures for returning the business to normal operations specifying the procedures for site shutdowns and reopenings.

6. 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.

We are committed to addressing any significant adverse environmental impacts across our value chain, as identified through our Supplier Ethical Data Exchange (SEDEX) and SMETA (Sedex Members Ethical Trade Audit). Key challenges include resource consumption, waste generation, and carbon emissions, particularly from raw material extraction, production processes, and transportation. To mitigate these impacts, we have implemented several measures, including sustainable sourcing of raw materials from certified suppliers, prioritizing recycling and waste reduction in our operations, and investing in energy-efficient technologies while transitioning to renewable energy sources. In logistics, we optimize transportation routes and encourage the adoption of fuel-efficient methods to reduce our carbon footprint. Additionally, we continuously monitor our environmental impact through regular audits, set clear sustainability goals through our Spirit of Progress , and collaborate with stakeholders to ensure ongoing improvements.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Environment - 62%

The assessment of value chain partners focuses on conducting SMETA (Sedex Members Ethical Trade Audit) 4-pillar audits, with particular emphasis on evaluating environmental compliance. These audits assess adherence to environmental standards, including waste management, resource conservation, energy efficiency, and pollution control. Continuous follow-up and support are provided to value chain partners to help them improve their environmental performance and maintain compliance with the organization’s sustainability standards.

As part of our commitment to responsible sourcing, suppliers are selected for audit based on a combination of risk factors, including the nature of their operations, geographic location, and criticality to our supply chain. The program is structured into three key stages:

Planning and Scheduling

We collaborate with selected suppliers to schedule SEDEX audits, which are conducted by accredited third-party auditors. This planning phase ensures readiness and transparency throughout the process.

SEDEX Audit Execution

The audit assesses supplier compliance across four pillars: labour standards, environmental practices, health and safety, and business ethics. It includes document reviews, employee interviews, and site inspections. Post-audit, findings and recommendations are compiled in a report and uploaded to the SEDEX platform for USL’s visibility and monitoring.

Follow-Up and Continuous Support

Following the audit, we work closely with suppliers to address any identified non-compliances. This includes helping them align with legal requirements and adopt best practices. We assist in developing and implementing corrective action plans and conduct regular follow-up assessments to ensure sustained compliance and continuous improvement.

8. How many Green Credits have been generated or procured:

- a. By the listed entity: Nil
- b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners: NA

Principle 7:

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1a. Number of affiliations with trade and industry chambers/ associations:

8

1b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to

Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
International Spirits and Wines Association of India (ISWAI)	National
Confederation of Indian Industry (CII)	National
UK India Business Council (UKIBC)	National
Federation of Indian Chamber of Commerce (FICCI)	National
Public Affairs Forum of India (PAFI)	National
Advertising Standards Council of India (ASCI)	National
Karnataka Brewers and Distillers Association (KBDA)	State
Association of Liquor and Beer Suppliers (ALBS)	State

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Corrective action taken	Brief of the case
Not Applicable		

Leadership Indicators

1. Details of public policy positions advocated by the entity:

We are represented by our Industry association on policy matters that are important for Alco - Beverage sector.

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
Assam: Roll Back of Trade Regulatory Fees (TRF) and unilateral price decisions by Excise Commissioner Advocate against regulatory action against brand owners for non-compliant shipments due to blockage of transit from other states.	Meetings, discussions & presentations	Yes	Annually	https://stateexcise.assam.gov.in
Arunachal Pradesh: Unilateral Price and Ex-Distillery Price declaration in Excise Policy revised, with reversal of losses Price comparison with Assam and Meghalaya	Meetings, discussions & presentations	Yes	Annually	https://eabkari.arunachal.gov.in/

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
West Bengal: Export to other states of tetra and BIO free pricing	Discussions & representation through various associations	Yes	Annually	Excise.wb.gov.in
Tripura: Correction of up-front VAT on local production	Discussions & representation through various associations	Yes	Annually	Taxes.tripura.gov.in
Odisha: Engaging with authorities to permit imports, finalize pricing for existing brands	Discussions & representation through various associations	Yes	Annually	https://stateexcise.odisha.gov.in
Jharkhand: Mitigating existing exposure in RTM	Discussions & representation through various associations	Yes	Annually	https://excise.jharkhand.gov.in/
Telangana: Engaging with Govt. authorities, TGBCL, Excise for release of the outstanding dues	Follow up vide in person meetings and representation through various associations	No	Monthly	-
Karnataka: Regulatory cost to consumer by loading it on the MRP. Regulatory permission to include additional brand-related information such as website details and QR codes on product labels. Additional Excise Duty rationalisation and slab corrections for premium brands and refund for brands supplied.	Periodical Meetings by the Local Industry association By ISWAI / KBDA / CIABC	No	Monthly	-
Uttar Pradesh Composite Vends for IMFL/BII/BIO & Beer, along side fresh lottery for vend allocation. Special categorisation for BIO within the retail MG. Reduction of franchisee fee Change in point of incidence for excise duty.	Meetings & discussions Data advocacy, meetings with EM & EC	Yes	Annually	https://cms.upexciseonline.co
Rajasthan: Removal of circular referencing of EDP and yearly EDP review	Robust engagement with Pri Secy excise, finance sent excise & EC.	Yes	Annually	https://excise.rajasthan.gov.in
Himachal Pradesh: Allowing tyron packs for 180 ml	Self lead and along with ISWAI meetings regulators	Yes	Annually	https://www.hptax.gov.in
Punjab: Allowing PET tyron packs for 180 ml Custom Duty to be considered as per actual, within the composite BIO pricing approvals	Meetings & discussions	Yes	Annually	https://excise.punjab.gov.in

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
Uttarakhand: Bottling fee pass on from MRP build up	Meetings & discussions	Yes	Annually	http://uttarakhandexcise.org.in
Tamil Nadu Pursue walk in stores – increase foreign liquor RTM footprint for fair opportunity and consumer accessibility BIO FL price correction- timely approval in line with the offered prices & as per market forces.	Periodic follow up through ISWAI with the Budget secy and EC.	No	ISWAI Meetings / representations	-
Andhra Pradesh new business after the revised policy Push for Price approvals as offered without impacting the business. Avoid impact of inter-state comparison.	Follow ups and secure appropriate price approvals ISWAI lead meetings with Committee and Govt.	No	Direct submissions and Industry advocacy	-
Pan India Engaging with the Department of Consumer Affairs (DOCA) on guidelines for advertising of brand extensions	ISWAI lead meetings with DoCA	No	Others	-
Federal -1 GST on ENA	Representation through Associations	Yes	Annually	https://gstcouncil.gov.in/gst-council-meetings
Federal - 2 Automation of bond to bond transfers in BIO imports	Representation and discussions through Associations	Yes	Annually	https://www.pdicai.org
Federal -3 CCPA Greenwashing guidelines	Representation through Associations	Yes	Annually	https://consumeraffairs.nic.in
Federal – 4 Annual RODTEP Returns (ARR) under the Foreign Trade Policy	Discussions with APEDA	Yes	Annually	Dgft.gov.in
Federal -5 EPR for packaging made of metal, glass and paper	Draft stage – discussion with associations	Yes	Annually	https://moef.gov.in/
Federal -6 a. GST on Economic surplus received from TMU b. GST on Valuation of reimbursement as received by TMU	Representation through Associations/Deloitte Representation through Deloitte	No	Annually	-
Federal -7 GST on Trade Schemes	Representation through Associations	No	Annually	-

Principle 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

The projects undertaken by us in financial year 2024-25 were determined to not require Social Impact Assessments (SIA).

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					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

The projects undertaken by us in financial year 2024-25 were determined to not require Rehabilitation and Resettlement (R&R)

Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts for Paid to PAFs in the financial year (INR)
Not Applicable					

3. Describe the mechanisms to receive and redress grievances of the community.

We are dedicated to fostering transparency, accountability, and trust within the communities where we operate. As part of our Corporate Social Responsibility (CSR) engagement, periodic and well-organized community-level meetings are scheduled to reassess the evolving needs of the communities we serve. At each of our locations, our local NGO partner acts as an essential medium of communication, facilitating the grievance redressal process. During regular stakeholder consultations, community grievances and needs are discussed, and a formal written request is submitted to the NGO partner, who in turn shares these concerns with us. These interactions allow us to identify emerging priorities, which are then actively incorporated into the development and enhancement of both current and future programs. Furthermore, we have established redressal mechanism - SpeakUp which is available on the Company's website at <https://www.diageoindia.com/en/about-us/corporate-governance/speak-up> with services available in English and five other regional languages, and compliance concerns can be raised by any aggrieved person through web page or toll-free number.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Particulars	FY 2024 -25	FY 2023 -24
Directly sourced from MSME/ small producers	32%	36%
Directly from within India	90%	90%

Note 1: As per the Industry Standards Note on BRSR Core released by SEBI, 'Input material' includes all types of procurement such as raw material, spares, services, capex procurement items etc. Further, the numerator is basis input materials directly sourced only from MSME.

Note 2: Reasonable Assurance has been undertaken by Price Waterhouse & Co Chartered Accountants LLP, on the indicators in the table above.

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non- permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2024 -25	FY 2023 -24
Rural	9%	10%
Semi-urban	6%	5%
Urban	11%	16%
Metropolitan	74%	69%

Note 1: The locations have been categorised as per RBI Classification System – rural/semi-urban/urban/metropolitan.

Source: <https://censusindia.gov.in/nada/index.php/catalog/42560/download/46186/2011-IndiaStateDistSbDistTwnWrd-0000.xlsx>

Note 2: All manufacturing locations (Plants), depots, sales offices and regional offices are reported based on their respective actual address.

Note 3: As per the Industry Standards Note on BRSR Core released by SEBI, in addition to the permanent employees, gross wages paid to other than permanent employees/workers have also been considered for the current year period 2024-25. Hence, the figures are not comparable to last year's figures to that extent.

Note 4: Total wages includes actual expenditure incurred towards the permanent employees for the year ended 31st March 2025. The actual expenditure have been reconciled to the amount of salaries, wages, and bonus as per the Audited Standalone Financial Statements for the year ended 31st March 2025.

Note 5: Reasonable Assurance has been undertaken by Price Waterhouse & Co Chartered Accountants LLP, on the indicators in the table above.

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 impact identified	Corrective action taken
Not Applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Aspirational District	Amount spent (INR)
Jaisalmer, Rajasthan	23,59,000

3a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes/No)

Our procurement policies are merit-based, as we believe in sourcing from suppliers who demonstrate excellence and value. We also recognize the significant benefits of engaging diverse suppliers, as they bring unique perspectives, innovation, and agility, ultimately enhancing cost structures and driving improvements in products and processes. We have ambition to increase our spend with diverse and disadvantaged businesses, and we are dedicated to supporting suppliers in fostering inclusion and diversity within their own value chains.

3b. Which marginalized /vulnerable groups do you procure?

We are committed to shaping broader societal change by promoting equality and an inclusive culture through our brands, in our industry, across our value chain, and in the communities where we live, work, source and sell. We understand the value of diverse perspectives and recognize the importance of gender, ethnicity, ability, age, sexual orientation, socioeconomic status, education, and varied life experiences. The traditionally underrepresented groups from which we procure include women, people with disabilities, the LGBTQIA+ community, ethnic minorities, and other marginalized populations.

3c. What percentage of total procurement (by value) does it constitute?

Particulars	FY 2024 -25	FY 2023 -24
% of Business given under-represented minority group: women, people with disabilities, LGBTQIA+, ethnic minorities or any other under-represented group	6.2%	6.0%

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
Not Applicable. We do not use any traditional knowledge.				

5. Details of corrective actions taken or 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. We do not use any traditional knowledge.		

6. Details of beneficiaries of CSR Projects:

CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
Promote Positive Drinking: “Act Smart India”, a programme to educate stakeholders in the age group of 13-17 years on the dangers of Underage consumption	2,07,667	The beneficiaries include school student who are below the legal drinking age.
Promote Positive Drinking: “Wrong Side of the Road”, a programme to create awareness on Anti drink drive amongst consumers	4,96,524	The beneficiaries include consumers who are above legal drinking age including men, women, and elderly.
Learning for Life: a business and hospitality skills programme	1,922	100%

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

We are committed to providing a seamless and efficient handling of consumer complaints, ensuring that all concerns are addressed promptly and effectively. We have implemented a robust consumer complaint handling process to ensure timely and effective resolution of consumer concerns related to our products. Consumers can easily reach out to us by contacting our customer care executive, whose details are provided on our product packaging. Complaints can be registered through our toll-free helpline at 1800-425-2433 or by emailing customercare@unitedspirits.in. Our customer care center is managed by a third-party service provider and operates on all working days (excluding public holidays). The center is supported by live agents from 10 AM to 12 AM and an IVR system available from 12 AM to 10 AM, making it convenient for consumers to raise concerns at any time.A complaint once received is logged in our SAP-based real-time complaint portal for visibility and tracking. Our customer care team acknowledges the complaint within 24 hours as per our SLA, either via phone or email. The acknowledgment includes information on the next steps in addressing the concern. After the complaint is registered, our internal team takes prompt action to resolve the issue. This includes collecting a sample from the consumer, if necessary, for further investigation. The team then addresses the concern in line with our Consumer policy, and the results of the investigation are communicated back to the consumer.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

All products of USL contain relevant information as required under applicable laws.

Particulars	As a percentage of total turnover
Environmental and social parameters relevant to the beverage	100% of Our products will carry the information as
Safe and responsible usage	“Consumption of alcohol is injurious to health” to provide warning message to consumer.
Recycling and/or safe disposal	100% ,of our Plastic Container used for Packaging carries the embossed symbol of recyclability.

3. Number of consumer complaints in respect of the following:

Particulars	FY 2024 -25			FY 2023 -24		
	Received during year	Pending resolution at the year end	Remarks	Received during year	Pending resolution at the year end	Remarks
Data Privacy	0	0	-	0	0	-
Advertising	0	0	-	2	0	-
Cyber Security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other*	674	88	-	507	71	-

**Figures from the previous year have been changed due to revision in reporting methodology. Customer/Consumer complaints include complaints pertaining to product quality. Out of 674 complaints, 586 were validated and resolved during the reporting period, while 88 remained under investigation as on 31st March 2025. The 71 complaints pending as of 31st March 2024, were successfully resolved within the year.*

4. Details of instances of product recalls on account of safety issues:

Particulars	Number	Reasons for Recall
Voluntary recalls	0	-
Forced recalls	0	-

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, we have a comprehensive cyber security and data privacy risk management policy that applies to all employees, contractors, consultants, agency staff, business partners, and staff at subsidiaries and joint ventures, essentially anyone or any organization handling USL’s information. This policy reflects our commitment to protect our brands, revenues, reputation, and operational effectiveness through effective information management and security practices.

The objectives of the policy include:

- Ensuring all personnel are aware of information-related risks.
- Promoting a consistent and reasonable approach to information security across the organization.
- Embedding security awareness into the organization’s culture and business processes.
- Supporting compliance with legal, regulatory, and contractual requirements.

The policy covers all types of information assets, including IT and OT (operational technology) systems throughout their lifecycle. It also incorporates a three-tier information classification framework, which all staff are expected to apply correctly when creating or sharing information. The overarching goal is to safeguard the confidentiality, integrity, and availability of Diageo’s information assets.

We recognise security and protect privacy as an essential under our Code of Business Principles, which is available on our website at <https://www.diageoindia.com/en/about-us/corporate-governance>.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential 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 issues / product recalls/ penalties/regulatory actions during the year.

7. Provide the following information relating to data breaches:

Particulars		
a.	Number of instances of data breaches	0
b.	Percentage of data breaches involving personally identifiable information of customers	0%
c.	Impact, if any, of the data breaches	NA

Note: Reasonable Assurance has been undertaken by Price Waterhouse & Co Chartered Accountants LLP, on the ‘Percentage of data breaches involving personally identifiable information of customers’ above.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (Provide web link, if available)

Information regarding all products is available in the Brand section of our website: <https://www.diageoindia.com/en>

Consumers can also reach out to us via one of the following modes for any additional information:

- Toll-free number for Customer care: 18004252433
- E-mail ID: customercare.india@diageo.com
- Mailing address: UB Tower #24 Vittal Mallya Road Bengaluru - 560 001, Karnataka

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

We want to change the way people drink – for the better. This is why we promote responsible drinking and invest in education programmes to discourage the harmful use of alcohol.

- Act Smart India:** Act Smart India is dedicated to educating young people and empowering them to make informed decision on alcohol consumption, through early intervention. Implemented through our NGO partner across government and private schools, the programme reaches out to young people of the age group 13-17 years through a combination of live and online sessions on life skills. The programme measures success not merely by its reach but also through evaluation of the attitudinal shift in underage drinking. Blending storytelling with interactive methods, it highlights the causes and consequences of underage drinking.
- Wrong Side of the Road:** Aligned with the National Road Safety Campaign, the programme is implemented in partnership with UNITAR (United Nations Institute for Training and Research). It is designed to promote behavioural change among the citizens with the aim of curbing drink driving. It works through an interactive learning process, aimed at reducing fatal accidents and transforming responsible driving into a consistent behaviour pattern. The programme is implemented in collaboration with the transport authorities and the Regional Transport Offices (RTOs) across India. An interactive Tab Labs have been set up in RTOs across various states to educate people who go through process of seeking driving license.
- DrinkIQ:** Information sharing is vital for empowering consumers to make responsible choices. DRINKiQ is a dedicated online platform that advocates moderation, and addresses the consequences of harmful drinking for individuals and the society. We conduct various campaigns, both online and offline, to promote responsible drinking and moderation in consumption.

In addition, there is consumer awareness information available on the labels of every bottle as prescribed by the law.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

At USL, we do not deal with any essential services. However, in case of any disruption/discontinuation, we will notify through our website, various social media platforms, distribution networks and emails. In addition, consumer can also contact us on our toll-free number (1800-4252433) and email (customercare.india@diageo.com) printed on each product packaging.

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 regarding 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, in addition to mandatory disclosures, we provide supplementary product-specific information, which may include sensorial attributes, provenance details, ingredient sourcing, and sustainability-related insights.

We collaborate with consumers and commercial partners to conduct surveys to ensure best-in-class offer goes in the market and also to assess the impact of positive drinking, alcohol moderation and prevention of alcohol misuse initiatives. Using a combination of online and face-to-face interactions, we evaluate consumer sentiment, cultural understanding and consumption patterns All research is conducted in full compliance with our Responsible Research policy and the Industry Research Guidelines.

Management analysis on key sustainability and emission indicators (Principle 6: related to environment)

Principle	Indicator No	BRSR Core KPI	FY 2024-25 (Reported)	FY 2023-24 (Reported)	Reference
Environment	P6.E.1	Energy intensity per rupee of turnover (GJ/Cr)	34.98	37.87	Note 1
Environment	P6.E.1	Energy intensity by physical output (GJ/KL)	4.09	4.13	Note 2
Environment	P6.E.3	Water intensity per rupee of turnover (KL/Cr)	25.08	27.56	Note 3
Environment	P6.E.3	Water intensity by physical output (KL/KL)	2.93	3.01	Note 4
Environment	P6.E.4	Water Discharge (KL)	6,657	13,818	Note 5
Environment	P6.E.7	Emission intensity per rupee of turnover (MT CO2e/Cr)	0.46	0.50	Note 1
Environment	P6.E.7	Emission intensity by physical output (MT CO2e/KL)	0.05	0.05	Note 2

Revenue intensity, referred to as ‘Rebased’, is adjusted for slump sale and franchising of the strategically reviewed popular portfolio that was divested / franchised for a like for like comparison.

Note 1: In FY25, energy intensity (GJ/Cr) and emission intensity (MT CO2e/Cr) improved by 8% and 9% respectively, driven by enhanced boiler efficiency and greater use of slope by-product from MENA.

Note 2: In FY25, energy intensity (GJ/KL) and emission intensity (MT CO2e/KL) based on physical output improved by 1% and 2% respectively driven by enhanced boiler efficiency and greater use of slope by-product from MENA. Further, this is also impacted by the changes in product volume and product mix ratio in the current year.

Note 3: Water intensity per rupee of turnover (KL/Cr) improved by 9% in FY25 compared to FY24. These improvements were driven by multiple water efficiency initiatives, including enhanced boiler condensate recovery, increased recycling of treated wastewater, improved rainwater utilization etc.

Note 4: FY25 water intensity by physical output (KL/KL) has improved by 3% compared to FY24, driven by multiple water efficiency initiatives and the changes in product volume and product mix ratio in the current year.

Note 5: The reduction in water discharge by ~52% is due to the operational ramp-down of our non-zero liquid discharge units, which as per State PCB consent were required to sent the wastewater to external Common Effluent Treatment Plant (CETP).

Financial Statements

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Independent Auditors' Report

To the Members of United Spirits Limited
Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of United Spirits Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2025, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as "standalone financial statements").
2. 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit 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 responsibilities 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 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

4. We draw attention to the following matters:
 - a) Note 40(a) to the standalone financial statements which explains the uncertainties post completion of the Initial Inquiry, which identified references to certain Additional Parties and certain Additional matters, the then MD and CEO, pursuant to the direction of the Board of Directors, had carried out an Additional Inquiry that revealed transactions indicating actual and potential diversion of funds from the Company and its Indian and overseas subsidiaries to, in most cases,

Indian and overseas entities that appear to be affiliated or associated with the Company's erstwhile non-executive Chairman and other potentially improper transactions. Post the completion of Additional Inquiry certain regulatory notices and communications were received from Securities Exchange Board of India, Directorate of Enforcement and Authorised Dealer banks ('AD') to which the Company has responded. Subsequently, the Company commenced the rationalisation process for divestment/ liquidation/ merger of certain overseas subsidiaries including step down subsidiaries and completion of the above Rationalisation process is subject to regulatory approvals in India and overseas. The Company filed suits for recovery of certain amounts against relevant parties and individuals identified in the Additional Inquiry including excess managerial remuneration paid to the former Executive Director and CFO which have been fully provided for and recognised as an expense in prior years. The management is currently unable to estimate the financial impact on the Company, if any, arising out of potential non compliances with applicable laws as above.

- b) Note 40(d) to the standalone financial statements, which describes the uncertainty relating to the final outcome of litigations with a bank ("the bank") that continues to retain the pledge of certain assets of the Company and of the Company's shares held by USL Benefit Trust (of which the Company is the sole beneficiary) despite the Company prepaying the term loan to that bank along with the prepayment penalty and further depositing an additional sum of ₹ 46 crores demanded by the bank and as directed by the Hon'ble High Court of Karnataka (the "Court"). Based on management assessment supported by external legal opinions, the Company has disclosed the aforesaid amount of ₹ 46 crores under Other Non-current financial assets as recoverable from the bank pending the final outcome of the litigation. In a separate proceeding before the Debt Recovery Appellate Tribunal, the bank's appeal against the judgement awarded by Debt Recovery Tribunal in favour of the Company in respect of attachment of the aforesaid pledged shares for recovery of the loans advanced by the bank to Kingfisher Airlines Limited is pending disposal.

Our opinion is not modified in respect of the matters described under paragraph 4 above.

Key audit matters

5. Key audit matters are those matters that, in our professional judgement, 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.

Independent Auditors’ Report (Continued)

Key audit matter	How our audit addressed the key audit matter
Assessment of the appropriateness of provisions recognised and contingent liabilities disclosed in respect of certain tax matters.	Our audit procedures included the following: - Understood, evaluated and tested the design and operating effectiveness of the Company's controls in respect of the identifying potential tax exposures and/ or the accounting and disclosures thereof. - Evaluated the related accounting policy for recognising provisioning for tax exposures and disclosure of contingent liabilities with the requirements of the relevant accounting standards. - Obtained management’s assessment in respect of tax demands on whether cash outflow is either probable, possible or remote. - Evaluated management’s assessment with the help of auditors’ specialists, where necessary, as follows: - For the samples selected, read the correspondences received during the year from the tax authorities/ orders from the appellate authorities. - Read and assessed the views provided by the management or external tax counsel appointed by the management, as applicable. - Assessed management’s position on significant tax exposures in accordance with the tax laws and past precedents of tax judgements. - Assessed completeness of litigations by inquiring with the management, perusal of Board minutes and obtained confirmations from external tax counsel. - Evaluated the objectivity, independence, competence and capabilities of the external tax counsel appointed by the management. - Evaluated the adequacy of the disclosures made in the standalone financial statements.
(Refer Notes 8, 17 and 42(a) and 42(b) to the standalone financial statements)	
As at March 31, 2025, the Company has significant tax exposures and is subject to periodic assessments/ demands by tax authorities on transfer pricing, income tax and indirect tax matters. Consequent to such tax assessments and demands relating to past several years, the Company has paid certain amounts under protest at various dates. The Company has also filed appeals with various appellate authorities against such demands.	
Management judgement is involved in assessing the likelihood of ultimate outcome of the tax disputes to decide on the accounting/ disclosure requirements. For certain complex matters the probable amount of the cash outflow determined by the Management is supported by opinions obtained from external tax counsels or assessment performed by management tax experts.	
We considered this a key audit matter as:	
(a) The amounts involved are significant to the standalone financial statements;	
(b) Change in the management’s judgements and estimates may significantly affect the provisions recognised or contingent liabilities disclosed; and	
(c) Matters of disputes are complex in some cases due to the nature of the industry in which the Company operates and are subject to interpretations under tax laws.	

Other information

6. The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the financial statements and our auditors’ 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the standalone financial statements

7. 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

Independent Auditors’ Report (Continued)

- fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company’s financial reporting process.
- 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.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) 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 auditors’ 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.

(e) 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.
9. 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 auditors’ 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.

10. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
 - (a) 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

Independent Auditors’ Report (Continued)

- reasonably be thought to bear on our independence, and where applicable, related safeguards.
13. 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**
14. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph 15(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
- (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025, from being appointed as a director in terms of Section 164(2) of the Act.

- (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 15(b) above on reporting under Section 143(3)(b) and paragraph 15(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
- (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.
- (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 Notes 8, 17, 40(a), 40(c), 40(d), 42 and 48 to the standalone financial statements)
- ii. The Company was not required to recognise a provision as at March 31, 2025 under the applicable law or Indian Accounting Standards, as it does not have any material foreseeable losses on long-term contracts. The Company did not have any derivative contracts as at March 31, 2025. (Refer Note 39 to the standalone financial statements)
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.
- iv. (a) The management has represented that, to the best of its knowledge and belief, 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, whether 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,

Independent Auditors’ Report (Continued)

- security or the like on behalf of the Ultimate Beneficiaries (Refer Note 49(vii)(A) to the standalone financial statements);
- (b) The management has represented that, to the best of its knowledge and belief, 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, whether 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 (Refer Note 49(vii)(B) to the standalone financial statements); and
- (c) Based on such audit procedures that we 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 (a) and (b) contain any material misstatement.
- v. The dividend declared and paid by the Company during the year and until the date of this audit report is in compliance with Section 123 of the Act.

- vi. Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail is not maintained for any changes made through specific access and direct database changes. Other than for the instances mentioned above, based on our procedures performed, we did not notice any instance of the audit trail feature being tampered with. Further, the audit trail, to the extent maintained in the prior year, has been preserved by the Company as per the statutory requirements for record retention.
16. The Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E300009

Dibyendu Majumder
Partner
Place: Bengaluru
Date: May 20, 2025
Membership Number: 057687
UDIN: 25057687BMNRQK7437

Annexure A to Independent Auditors’ Report

Referred to in paragraph 15(g) of the Independent Auditor’s Report of even date to the members of United Spirits Limited on the standalone financial statements as of and for the year ended March 31, 2025

Report on the Internal Financial Controls with reference to standalone financial statements under clause (i) of sub-section 3 of Section 143 of the Act

- 1. We have audited the internal financial controls with reference to standalone financial statements of United Spirits Limited (“the Company”) as of March 31, 2025 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

- 2. The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) issued by the Institute of Chartered Accountants of India (“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 company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

- 3. Our responsibility is to express an opinion on the Company’s internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 financial statements was established and maintained and if such controls operated effectively in all material respects.
- 4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 standalone financial statements, whether due to fraud or error.

- 5. 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 system with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

- 6. A company’s internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls 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 standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

- 7. 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

Annexure A to Independent Auditors’ Report (Continued)

that the internal financial controls 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.

the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E300009

Opinion

- 8. In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by

Dibyendu Majumder
Partner
Place: Bengaluru
Date: May 20, 2025
Membership Number: 057687
UDIN: 25057687BMNRQK7437

Annexure B to Independent Auditors’ Report

Referred to in paragraph 14 of the Independent Auditors’ Report of even date to the members of United Spirits Limited on the standalone financial statements as of and for the year ended March 31, 2025

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

- i.

(a)

(A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of property, plant and equipment.

(B) The Company is maintaining proper records showing full particulars of intangible assets.
- (b)

The property, plant and equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the property, plant and equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c)

The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Notes 3.1, 3.2 and 3.5 to the standalone financial statements, are held in the name of the Company, except as disclosed in Appendix II.
- (d)

The Company has chosen cost model for its property, plant and equipment (including right of use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of property, plant and equipment (including right of use assets) or intangible assets does not arise.
- (e)

Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company

has appropriately disclosed the details in the standalone financial statements does not arise.

- ii.

(a)

The physical verification of inventory (including stocks with third parties) has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b)

During the year, the Company has not been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- iii.

(a)

The Company has made investments in eighteen mutual fund schemes and in treasury bills issued by Reserve Bank of India, granted a secured loan to a joint venture and has provided unsecured interest free loans to employees. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such secured loan to a joint venture and unsecured loans to employees are as per the table given below:

Particulars	Amount in ₹ Crores
Aggregate amount granted/ provided during the year	
- Loan to a joint venture	18
- Loan to employees	2
Balance outstanding as at March 31, 2025 in respect of the above case	
- Loan to a joint venture	18
- Loan to employees	2

Refer Note 5 to the standalone financial statements

(b)

In respect of the aforesaid investments and loans, the terms and conditions under which such loans were granted and investments were made are not prejudicial to the Company’s interest.

Annexure B to Independent Auditors’ Report (Continued)

- (c)

In respect of the loans, as disclosed in Note 5 to the standalone financial statements, the schedule of repayment of principal and payment of interest has been stipulated by the Company except for the following instances set out in the table below. Therefore, in the absence of stipulation of repayment terms, we are unable to comment on the regularity of repayment of principal and payment of interest.

Name of the entity	(Amount in ₹ crores)	
	Gross outstanding as at March 31, 2025	Net outstanding as at March 31, 2025
Asian Opportunities & Investments Limited	61	-
USL Holdings UK Ltd	15	-

The repayment of principal and payment of interest is not regular with respect to the loans set out in the table below:

Name of the entity	Amount (₹ Crores)	Due Date	Extent of delay	Remarks
United Breweries Holding Limited and a related entity	1,238	One third of the loan was to be repaid on July 2, 2019, July 2, 2020 and July 2, 2021	3 years and 9 months to 5 years and 9 months	Refer Notes 5 and 40(c) to the standalone financial statements

- (d)

In respect of the following loan, the total amount overdue for more than ninety days as at March 31, 2025 is ₹ 1,238. In such instances, in our opinion, reasonable steps have been taken by the Company for the recovery of the principal amounts and interest thereon. Refer Notes 5 and 40(c) to the standalone financial statements.

(Amount in ₹ crores)				
No. of cases	Principal Amount Overdue	Interest Overdue	Total Overdue	Remarks (if any)
One	1,153	85	1,238	Refer Notes 5 and 40(c) to the standalone financial statements

- (e)

There were no loans which have fallen due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing

overdue loans. (Also, refer note 5 to the standalone financial statements)

- (f)

The loans granted during the year, including to related parties had stipulated the scheduled repayment of principal and payment of interest and the same were not repayable on demand. There were no loans granted during the year to the promoters.

- iv.

In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of the loans and investments made. The Company has not provided any security and guarantees to parties covered under Sections 185 and 186 of the Act.

- v.

The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.

- vi.

Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of certain products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- vii.

(a)

In our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, value added tax and profession tax though there has been a slight delay in a few cases and is regular in depositing undisputed statutory dues including employees’ state insurance, income tax, goods and services tax, duty of customs, duty of excise, and other material statutory dues. The extent of the arrears of statutory dues outstanding at March 31, 2025, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (₹ in crores)	Period to which the amount relates	Due date	Date of Payment
The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952	Provident fund	0.14	April 2022 – August 2024	15th of the Subsequent month	Not paid

Annexure B to Independent Auditors’ Report (Continued)

Refer Note 42(d) to the standalone financial statements regarding management’s assessment on certain matters relating to provident fund.	
(b) The particulars of dues of income tax, sales tax, value added tax, service tax, goods and services tax, duty of customs, duty of excise, entry tax, stamp duty, property tax and other taxes charged by local bodies at March 31, 2025 which have not been deposited on account of a dispute are disclosed in Appendix I to this report. There have been no dues of provident fund, employees’ state insurance and profession tax which have not been deposited on account of dispute.	
viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.	
ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.	x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
(b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.	(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
(c) The Company has not obtained any term loans. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.	xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.	(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
(e) On an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint ventures. The Company has no associates.	(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause. As explained by the management, there were certain complaints in respect of which investigations are ongoing as on the date of our report and, hence, the impact on our audit in respect of those complaints cannot be determined at this stage.
(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures. The Company has no associates.	xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
	xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the standalone financial statements as

Annexure B to Independent Auditors’ Report (Continued)

	required under Indian Accounting Standard 24 “Related Party Disclosures” specified under Section 133 of the Act.	xix. On the basis of the financial ratios (Also refer note 49(xiv) to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, 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 that the 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.
xiv (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.	(b) The reports of the Internal Auditor for the period under audit have been considered by us.	
xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.		xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.
xvi (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.	(b) The Company has not conducted non-banking financial or housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.	xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.
	(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.	
	(d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CICs, which are part of the Group. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.	
xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.		
xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.		

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E300009

Dibyendu Majumder
Partner

Place: Bengaluru
Date: May 20, 2025

Membership Number: 057687
UDIN: 25057687BMNRQK7437

Annexure B to Independent Auditors’ Report (Continued)

Appendix I – Particulars of tax dues not deposited on account of a dispute

Referred to in paragraph vii(b) of Annexure B to the Independent Auditor’s Report to the members of United Spirits Limited on the standalone financial statements as of and for the year ended March 31, 2025

Name of Statute	Nature of Dues	Disputed Amount (₹ crores)	Amount Paid (₹ crores)	Unpaid Amount (₹ crores)	Financial Year to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	48	35	13	2005-06, 2009-10, 2019-20	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	2,796	644(*)	2,152	1988-89, 1989-90, 1991-92 to 1993-94, 1995-96, 2000-01, 2004-05 to 2008-09, 2014-15 to 2017-18	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	1,075	221(*)	854	1985-86 to 2004-05, 2006-07 to 2008-09 and 2011-12 to 2013-14	High Courts of various states
Customs Act, 1962	Custom Duty	0#	0#	0#	2017-20	Joint Commissioner of Customs
Customs Act, 1962	Custom Duty	0#	-	0#	1997-98	Commissioner of Customs
Service Tax - Finance Act, 1994	Service Tax	2	0	2	2011-16	Commissioner of Service Tax
Service Tax - Finance Act, 1994	Service Tax	1	0#	1	2016-18	Commissioner (Appeals)
Service Tax - Finance Act, 1994	Service Tax	28	4	24	2005-06, 2009-10 to 2010-11, 2014-15 to 2016-17	Customs Excise and Service Tax Appellate Tribunal
Service Tax - Finance Act, 1994	Service Tax	124	-	124	2000-01, 2007-08 to 2011-12	High Courts of various states
Central Excise Act, 1944	Central Excise Duty	39	1	38	1994- 95, 2012-13 to 2017-18	Commissioner of Central Excise
Central Excise Act, 1944	Central Excise Duty	141	6	135	1997-98 to 2003-04	Customs Excise and Service Tax Appellate Tribunal
West Bengal Sales Tax Act, 1994	Sales Tax/Value Added Tax	77	-	77	2002-03, 2014-15 to 2017-18	Commissioner of Commercial Taxes
Central and Various State Sales Tax Acts	Sales Tax/Value Added Tax	1	0#	1	1993-94 to 1995-96, 2002-03 to 2007-08	Commercial Tax Officer
Central and Various State Sales Tax Acts	Sales Tax/Value Added Tax	15	5	10	1994-95 to 1996-97, 2005-06 to 2006-07, 2009-10 to 2013-14, 2015-16 to 2017-18	Assistant Commissioner of Commercial Taxes

Annexure B to Independent Auditors’ Report (Continued)

Appendix I – Particulars of Tax dues not deposited on account of a dispute (Continued)

Name of Statute	Nature of Dues	Disputed Amount (₹ crores)	Amount Paid (₹ crores)	Unpaid Amount (₹ crores)	Financial Year to which the amount relates	Forum where the dispute is pending
Central and Various State Sales Tax Acts	Sales Tax/Value Added Tax	17	1	16	2004-05, 2006-07 to 2011-12, 2013-14, 2015-16 to 2020-21	Additional Commissioner of Commercial Taxes
Central and Various State Sales Tax Acts	Sales Tax/Value Added Tax	15	4	11	1985-1986, 2007-08 to 2008-09, 2010-11 to 2011-12, 2014-15 to 2017-18, 2019-20 to 2020-21	Deputy Commissioner of Commercial Taxes
Central and Various State Sales Tax Acts	Sales Tax/Value Added Tax	152	15	137	2000-01 to 2001-02, 2004-05 to 2005-06, 2010-11, 2012-13, 2015-16 to 2020-21	Joint Commissioner of Commercial Taxes
Central and Various State Sales Tax Acts	Sales Tax/Value Added Tax	100	30	70	1990-91, 1992-93 to 1993-94, 1995-96 to 2000-01, 2004-05, 2010-11 to 2018-19	Commercial Taxes Appellate Tribunal
Central and Various State Sales Tax Acts	Sales Tax/Value Added Tax	5	0	5	1993-1994, 2003-04, 2005-06 and 2017-18	Commercial Taxes Appellate Tribunal and Revisionary Board
Central and Various State Sales Tax Acts	Sales Tax/Value Added Tax	58	14	44	1978-79 to 1984-85, 1988-89 to 1989-90, 1992-93 to 1994-95,1996 -97 to 2001-02, 2007-08, 2009-10 to 2011-12, 2014-15, 2017-18 to 2021-22	High Courts of various states
Various Entry Tax Acts, Local Body Tax and Octroi Duty	Entry Tax/Local Body Tax	0#	-	0#	1989-90 and 2017-18	Assessing Officer
Various Entry Tax Acts, Local Body Tax and Octroi Duty	Entry Tax/Local Body Tax	1	-	1	2014-15 and 2015-16	Assistant Commissioner of Commercial Taxes
Various Entry Tax Acts, Local Body Tax and Octroi Duty	Entry Tax/Local Body Tax	2	1	1	2007-08 to 2009-10, 2011-12 to 2016-17	Joint Commissioner/ Additional Commissioner of Commercial Taxes
Various Entry Tax Acts, Local Body Tax and Octroi Duty	Entry Tax/Local Body Tax	2	1	1	1987-88, 2000-01, 2004-05, 2007-08 to 2010-11	Commercial Taxes Appellate Tribunal
Various Entry Tax Acts, Local Body Tax and Octroi Duty	Entry Tax/Local Body Tax/Octroi Duty	5	2	3	2005-06 , 2007-08 to 2013-14	High Courts of various states

Annexure B to Independent Auditors’ Report (Continued)

Appendix I – Particulars of Tax dues not deposited on account of a dispute (Continued)

Name of Statute	Nature of Dues	Disputed Amount (₹ crores)	Amount Paid (₹ crores)	Unpaid Amount (₹ crores)	Financial Year to which the amount relates	Forum where the dispute is pending
Various Entry Tax Acts, Local Body Tax and Octroi Duty	Entry Tax/Local Body Tax	4	3	1	2007-08, 2020-21 to 2021-22	Supreme Court
Bengal Excise Act, 1909 and Bengal Excise (Amendment) Act, 2012	State Excise	1	-	1	1993-94	Civil Court, West Bengal
Bengal Excise Act, 1909 and Bengal Excise (Amendment) Act, 2012	State Excise	0#	-	0#	1994-95 and 2014-15	Collector of State Excise, West Bengal
Various State Excise Acts	State Excise	3	-	3	2010-11 to 2017-18	Superintendent of State Excise
Various State Excise Acts	State Excise	2	-	2	2013-14 to 2014-15	Principal Secretary of Excise
Various State Excise Acts	State Excise	0#	-	0#	2012-13	Assistant Commissioner of State Excise
Various State Excise Acts	State Excise	0#	-	0#	2019-20	Deputy Commissioner of State Excise
Various State Excise Acts	State Excise	33	8	25	1974-75 to 1980-81, 1984-85, 1993-94, 1995-96, 1997-98 to 2004-05, 2007-08 to 2012-13, 2015-16 to 2016-17, 2019-20, 2022-23	Commissioner of State Excise
Various State Excise Acts	State Excise	1	-	1	2001-02, 2003-04 to 2007-08, 2013-14 to 2014-15	State Taxation tribunals
Various State Excise Acts	State Excise	30	9	21	1984-85 to 1986-87, 1990-91 to 1993-94, 1997-98, 2000-01 to 2003-04, 2005-06, 2007-08, 2009-10, 2011- 12 to 2017-18, 2019-20 to 2021-22, 2024-25	High Courts of various states
Various State Excise Acts	State Excise	172	16	156	1975-76, 1994-95, 2001-02 to 2002-03, 2008-09, 2014-15, 2024-25	Supreme Court

Annexure B to Independent Auditors’ Report (Continued)

Appendix I – Particulars of Tax dues not deposited on account of a dispute (Continued)

Name of Statute	Nature of Dues	Disputed Amount (₹ crores)	Amount Paid (₹ crores)	Unpaid Amount (₹ crores)	Financial Year to which the amount relates	Forum where the dispute is pending
Central/ States Goods & Services Tax Act, 2017	Goods & Services Tax	0#	0#	0#	2017-18 to 2019-20	Assistant Commissioner
Central/ States Goods & Services Tax Act, 2017	Goods & Services Tax	13	1	12	2017-18 to 2021-22	Joint Commissioner of Commercial Taxes / Commissioner (Appeals)
Central/ States Goods & Services Tax Act, 2017	Goods & Services Tax	973	0#	973	2017-18 to 2021-22	High Courts of various states
Other Litigations	Stamp Duty	1	-	1	1999-2000	High Court
Other Litigations	Property Tax	0 #	-	0 #	2019-20	High Court

‘0’ indicates that the amounts involved are below ₹ fifty lakhs and the sign ‘-’ indicates that the amounts are nil.

* Amount paid includes refunds due to the company which have been adjusted by the assessing officer (AO) towards demands pending for other financial years. The amount paid in the table above has been restricted to the extent of the disputed amount.

Note: In respect of certain demands received by the Company under the Goods and Service Act, 2017 amounting to ₹ 58 crores relating to financial years 2017-18 to 2021-22, management is awaiting state bench of the Goods and Services Tax Appellate Tribunal to be constituted in certain states, for filing appeals. An amount of ₹ 6 crores has been paid under protest in respect of these demands.

Annexure B to Independent Auditors’ Report (Continued)

Appendix I – Particulars of Tax dues not deposited on account of a dispute (Continued)

Appendix II – Title deeds not in the name of the Company

Referred to in paragraph i(c) of Annexure B to the Independent Auditor’s Report to the members of United Spirits Limited on the standalone financial statements as of and for the year ended March 31, 2025

The title deeds of immovable properties not held in the name of the Company are as follows:

Description of property	Held in the name of	Gross carrying value (₹ Crores)	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in name of Company
Building in the state of Karnataka	Refer Note 1	34	No	14 years	Refer Note 1 (a) below
Building in the state of Maharashtra	Shaw Wallace & Company Limited	0#	No	17 years	Refer Note 1 (b) below
Freehold land in Gujarat	Herbertsons Limited	0#	No	19 years	Refer Note 2 below
Freehold land in Maharashtra	Maharashtra Distilleries Limited	1	No	19 years	Refer Note 2 below
Freehold land in Rajasthan	Udaipur Distillery Co. Limited	2	No	24 years	Refer Note 2 below
Freehold land in Uttar Pradesh	Carew and Company Limited	5	No	29 years	Refer Note 2 below
Freehold land in Uttar Pradesh	Ganges Soap Works Private Limited	0#	No	19 years	Refer Note 2 below
Freehold land in West Bengal	Bengal Distilleries Co Ltd	0#	No	16 years	Refer Note 2 below
Freehold land in West Bengal	Serampore Distillery and Chemical Company Limited	1	No	24 years	Refer Note 2 below
Freehold land in West Bengal	Shaw Wallace Distilleries Limited	1	No	19 years	Refer Note 2 below
Freehold land in West Bengal	Jointly Held	1	No	19 years	Refer Note 7 below
Leasehold land in Rajasthan	Udaipur Distillery Co. Limited	1	No	24 years	Refer Note 2 below
Freehold land in Karnakata	Pampasar Distillery Limited	9	No	19 years	Refer Notes 2 and 3 below
Freehold land in Telangana	Shaw Wallace & Company Limited	63	No	17 years	Refer Notes 2 and 3 below
Freehold land in Uttar Pradesh	Central Distillery and Chemical Works Ltd	5	No	19 years	Refer Notes 2 and 3 below
Freehold land in West Bengal	Carew and Company Limited	3	No	24 years	Refer Notes 2 and 3 below
Freehold land in West Bengal	McDowell & Company Limited	6	No	24 years	Refer Notes 3 and 5 below
Freehold land in West Bengal	Refer Note 6	8	No	24 years	Refer Notes 3 and 6 below

Annexure B to Independent Auditors’ Report (Continued)

Appendix I – Particulars of Tax dues not deposited on account of a dispute (Continued)

Description of property	Held in the name of	Gross carrying value (₹ Crores)	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in name of Company
Freehold land in West Bengal	Shaw Wallace & Company Limited	22	No	17 years	Refer Notes 2 and 4 below
Free hold land in Delhi	McDowell & Co Ltd	9	No	24 years	Refer Notes 2 and 3 below
Freehold land in Tamil Nadu	Jointly Held	0#	No	24 years	Refer Note 7 below
Freehold land in Telangana	McDowell & Co Ltd	5	No	24 years	Refer Note 2 below
Freehold land in Telangana	McDowell & Company Limited	0#	No	24 years	Refer Note 5 below
Freehold land in Uttar Pradesh	McDowell & Company Limited	0#	No	24 years	Refer Note 5 below
Freehold land in West Bengal	McDowell & Company Limited	2	No	24 years	Refer Note 5 below
Freehold land in Andhra Pradesh	Hindustan Polymers Limited	0#	No	43 years	Refer Notes 2 and 6 below

Notes:

‘0’ indicates that the amounts involved are below ₹ fifty lakhs.

1.

(a)

The Company has entered into an agreement to sell with the erstwhile owner and is litigating for execution of the sale deed. Refer to Note 3.1(b) to the standalone financial statements.

(b)

Building is held in the name of erstwhile transferor companies which was amalgamated with the Company through approved Court Schemes.
2.

Held in the name of erstwhile transferor companies which were amalgamated with the Company through approved Court Schemes. Refer to Notes 3.1(a) and 3.5(a) to the standalone financial statements.
3.

These properties are under hypothecation with a bank. Refer to Notes 33(b) and 40(d) to the standalone financial statements.
4.

Part of this property is under dispute with a regulator and the matter is pending with the Kolkata High Court.
5.

McDowell & Company Limited’s name has been changed to United Spirits Limited w.e.f. October 17, 2006.
6.

The Company is not in the possession of the title deeds. Refer to Note 3.5(a) to the standalone financial statements.
7.

The property is being jointly held by the Company and a third party. Refer to Note 3.5(a) to the standalone financial statements.

Standalone Balance Sheet

(All amounts in ₹ crores unless otherwise stated)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	850	844
Right-of-use assets	3.2	457	227
Capital work-in-progress	3.3	72	37
Intangible assets	3.4	24	35
Investment properties	3.5	75	139
Financial assets			
Investments in subsidiaries and joint ventures	4.1	234	224
Trade receivables	11	340	365
Loans	5	-	-
Other financial assets	6	384	112
Deferred tax assets (net)	7	155	177
Current tax assets (net)	8	1,095	1,348
Other non-current assets	9	215	216
Total non-current assets		3,901	3,724
Current assets			
Inventories	10	2,305	2,063
Financial assets			
Investments	4.2	873	599
Trade receivables	11	3,288	2,763
Cash and cash equivalents	12.1	1,150	1,021
Bank balances other than cash and cash equivalents	12.2	623	188
Loans	5	22	10
Other financial assets	6	259	40
Other current assets	9	297	334
Total current assets		8,817	7,018
Total assets		12,718	10,742
EQUITY AND LIABILITIES			
EQUITY			
Share capital	13	145	145
Other equity			
Reserves and surplus	14	7,734	6,818
Total equity		7,879	6,963

Standalone Balance Sheet (Continued)

(All amounts in ₹ crores unless otherwise stated)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	3.2	334	137
Provisions	17	16	15
Total non-current liabilities		350	152
Current liabilities			
Financial liabilities			
Borrowings	15	-	0
Lease liabilities	3.2	146	103
Trade payables	18		
(a) total outstanding dues of micro and small enterprises		74	69
(b) total outstanding dues of creditors other than micro and small enterprises		2,078	1,758
Other financial liabilities	16	484	204
Provisions	17	373	367
Current tax liabilities (net)	8	358	324
Other current liabilities	19	976	802
Total current liabilities		4,489	3,627
Total liabilities		4,839	3,779
Total equity and liabilities		12,718	10,742

The above Balance Sheet should be read in conjunction with the accompanying notes.

As per our standalone report of even date

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm registration number: 304026E/E-300009

Dibyendu Majumder
Partner
Membership number: 057687

Place : Bengaluru
Date : May 20, 2025

For and on behalf of the Board of Directors

V K Viswanathan
Chairman
DIN: 01782934
Place : Bengaluru

Praveen Someshwar
Managing Director & Chief Executive Officer
DIN: 01802656
Place : Bengaluru

Mital Sanghvi
Company Secretary
Place : Bengaluru

Pradeep Jain
Executive Director & Chief Financial Officer
DIN: 02110401
Place : Bengaluru

Date : May 20, 2025

Standalone Statement of Profit and Loss

(All amounts in ₹ crores unless otherwise stated)			
Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
INCOME			
Revenue from operations	20	26,780	25,389
Other income	21	426	335
Total income		27,206	25,724
EXPENSES			
Cost of materials consumed	22	5,443	5,254
Purchase of stock-in-trade		864	675
Change in inventories of finished goods, work-in-progress and stock-in-trade	23	90	119
Excise duty		15,207	14,697
Employee benefits expense	24	605	543
Depreciation and amortisation expense	25	274	264
Advertisement and sales promotion		1,128	1,041
Other expenses	26	1,385	1,352
Finance costs	27	89	76
Total expenses		25,085	24,021
Profit before exceptional items and tax		2,121	1,703
Less: Exceptional items, net	28	(65)	(17)
Profit before tax		2,056	1,686
Income tax expense:	29		
Current tax		497	403
Current tax relating to earlier years		(9)	(10)
Deferred tax charge / (credit)	7	10	(19)
Total tax expense		498	374
Profit for the year		1,558	1,312
Other comprehensive income			
A. Items that will be reclassified to profit or loss		-	-
B. Items that will not be reclassified to profit or loss			
(i) Remeasurements of post-employment benefit plans	38(b)E	(3)	(3)
(ii) Income tax credit relating to these items	7	1	1
Other comprehensive income for the year, net of income tax		(2)	(2)
Total comprehensive income for the year		1,556	1,310
Basic and diluted earnings per share (in ₹)	30	21.42	18.04

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

As per our standalone report of even date

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm registration number: 304026E/E-300009

For and on behalf of the Board of Directors

Dibyendu Majumder
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V K Viswanathan
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Company Secretary
Place : Bengaluru

Pradeep Jain
Executive Director & Chief Financial Officer
DIN: 02110401
Place : Bengaluru

Place : Bengaluru
Date : May 20, 2025

Date : May 20, 2025

Standalone Statement of Changes in Equity

A. Equity share capital

(All amounts in ₹ crores unless otherwise stated)		
Particulars	Note	Amount
Equity share capital as at April 1, 2023	13	145
Changes in equity share capital		-
Equity share capital as at March 31, 2024	13	145
Changes in equity share capital		-
Equity share capital as at March 31, 2025	13	145

B. Other equity

Reserves and surplus										
Particulars	Notes	Capital reserve	Capital redemption reserve	Securities premium account	Central subsidy	Share based incentive reserve	Contingency reserve	General reserve	Retained earnings	Total
Balance as at April 1, 2023	14	95	72	4,568	0	1	11	1,103	(51)	5,799
Profit for the year		-	-	-	-	-	-	-	1,312	1,312
Other comprehensive income(OCI), net of tax		-	-	-	-	-	-	-	(2)	(2)
Total comprehensive income for the year									1,310	1,310
Share based payments		-	-	-	-	4	-	-	-	4
Cross charge by a Diageo group company during the year towards share based payments	36(b)(x)	-	-	-	-	(4)	-	-	-	(4)
Dividend payment	32(b)	-	-	-	-	-	-	-	(291)	(291)
Balance as at March 31, 2024	14	95	72	4,568	0	1	11	1,103	968	6,818
Profit for the year		-	-	-	-	-	-	-	1,558	1,558
Other comprehensive income(OCI), net of tax		-	-	-	-	-	-	-	(2)	(2)
Total comprehensive income for the year									1,556	1,556
Share based payments		-	-	-	-	5	-	-	-	5
Cross charge by a Diageo group company during the year towards share based payments	36(b)(x)	-	-	-	-	(5)	-	-	-	(5)
Other movements (net)		-	-	-	-	-	-	-	(1)	(1)
Dividend payment (net)	32(b)	-	-	-	-	-	-	-	(639)	(639)
Balance as at March 31, 2025	14	95	72	4,568	0	1	11	1,103	1,884	7,734

The above Standalone Statement of Changes in Equity should be read in conjunction with accompanying notes.

As per our standalone report of even date

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm registration number: 304026E/E-300009

For and on behalf of the Board of Directors

Dibyendu Majumder
Partner
Membership number: 057687

V K Viswanathan
Chairman
DIN: 01782934
Place : Bengaluru

Praveen Someshwar
Managing Director & Chief Executive Officer
DIN: 01802656
Place : Bengaluru

Mital Sanghvi
Company Secretary
Place : Bengaluru

Pradeep Jain
Executive Director & Chief Financial Officer
DIN: 02110401
Place : Bengaluru

Place : Bengaluru
Date : May 20, 2025

Date : May 20, 2025

Standalone Statement of Cash Flows

(All amounts in ₹ crores unless otherwise stated)			
Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		2,056	1,686
Adjustments for			
Depreciation and amortisation expense	25	274	264
Employee share-based payment expense	24	17	37
Loss allowance on trade receivables, other assets and other financial assets (net)	26	(9)	41
Profit on redemption of mutual fund units		(25)	(42)
Increase in fair value of mutual fund units	21	(16)	(18)
Finance costs	27	89	76
Dividend income	21	(120)	(125)
Gain on disposal of property, plant and equipment and investment property (net)	21	(99)	(12)
Interest income	21	(73)	(39)
Interest income from loan to subsidiary & joint venture	21	(1)	(0)
Interest on direct and indirect tax refunds	21	(26)	(87)
Exceptional item- Profit on sale of business undertaking	28(a)	-	(31)
Exceptional item- Supply restructuring cost	28(b)	65	48
Exchange loss on translation of foreign currency monetary assets and liabilities		1	4
		77	116
Operating profit before changes in working capital		2,133	1,802
(Increase) / decrease in trade receivables		(494)	(804)
(Increase) / decrease in loans and other financials assets		(40)	150
(Increase) / decrease in other assets		49	(50)
(Increase) / decrease in inventories		(242)	163
Increase / (decrease) in trade payables		290	50
Increase / (decrease) in other financial liabilities		(76)	(116)
Increase / (decrease) in other liabilities		174	79
Increase / (decrease) in provisions		(15)	(48)
		(354)	(576)
Cash generated from operations		1,779	1,226
Income taxes paid (net of refund)		(173)	(313)
Net cash generated from operating activities (A)		1,606	913
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment and intangible assets		(162)	(98)
Proceeds from sale of property, plant and equipment		1	19
Purchase of current investments		(1,246)	(760)
Redemption of current investments		1,011	478
Investment in term deposits with banks		(1,083)	(400)
Redemption of term deposits from banks		395	980
Investment in joint ventures		(13)	(15)
Loans given to subsidiary and joint venture	36(b)(xvi)	(18)	(29)
Repayment of loans by subsidiary	36(b)(xvii)	-	121
Repayment of loans given to others		7	6
Interest received		38	39
Dividend received	21	120	125
Net cash (outflow) / inflow from investing activities (B)		(950)	466

Standalone Statement of Cash Flows (Continued)

(All amounts in ₹ crores unless otherwise stated)			
Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
C. CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of deferred sales tax liability	15	(0)	(1)
Dividend paid (net)	32(b)	(350)	(291)
Principal repayment of lease liabilities	15	(137)	(126)
Interest paid on lease liabilities	15	(40)	(21)
Net cash outflow from financing activities (C)		(527)	(439)
Net increase in cash and cash equivalents [D = A+B+C]		129	940
Cash and cash equivalents as at the beginning of the year (E)		1,021	81
Effects of exchange rate changes on cash and cash equivalents		0	0
Net increase in cash and cash equivalents		129	940
Cash and cash equivalents as at the end of the year [D+E]	12.1	1,150	1,021
Note:			-
Non-cash financing and investing activities			
Acquisition of right-of-use assets	3.2	394	184

The above statement of cash flows should be read in conjunction with the accompanying notes.

As per our standalone report of even date

For **Price Waterhouse & Co Chartered Accountants LLP**

Firm registration number: 304026E/E-300009

For and on behalf of the Board of Directors

Dibyendu Majumder

Partner

Membership number: 057687

V K Viswanathan

Chairman

DIN: 01782934

Place : Bengaluru

Praveen Someshwar

Managing Director & Chief Executive Officer

DIN: 01802656

Place : Bengaluru

Mital Sanghvi

Company Secretary

Place : Bengaluru

Pradeep Jain

Executive Director & Chief Financial Officer

DIN: 02110401

Place : Bengaluru

Place : Bengaluru

Date : May 20, 2025

Date : May 20, 2025

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

Company overview

United Spirits Limited (“the Company” or “USL”) is a public company domiciled and headquartered in Bengaluru, Karnataka, India. It is incorporated under the Companies Act, 1956 and its shares are listed on the BSE Limited and National Stock Exchange of India Limited. The Company is engaged in the business of manufacture, purchase and sale of beverage alcohol and other allied spirits, including through tie-up manufacturing units and through strategic franchising of some of its brands.

These financial statements (also referred as standalone financial statements) are approved for issue by the Company’s Board of Directors on May 20, 2025.

Note 1: Basis of preparation of standalone financial statements

(i) Compliance with Ind AS

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the ‘Act’) [Companies (Indian Accounting Standards) Rules, 2015, as amended] and other relevant provisions of the Act.

(ii) Historical cost convention

These financial statements have been prepared on a historical cost basis, except for the following:

- defined benefits plans – plan assets are measured at fair value;
- share-based payments are measured at fair value; and
- investment in mutual funds is measured at fair value.

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the Schedule III (Division II) to the Act. Based on the nature of products and the time between the acquisition of asset for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current / non- current classification of assets and liabilities.

(iii) New and amended standards adopted

The Ministry of Corporate Affairs vide notification dated September 9, 2024 and September 28, 2024 notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024 and Companies (Indian Accounting Standards) Third Amendment Rules, 2024, respectively, which amended/ notified certain accounting standards, and are effective for annual reporting periods beginning on or after April 1, 2024:

- Insurance contracts - Ind AS 117; and
- Lease Liability in Sale and Leaseback – Amendments to Ind AS 116

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

The material accounting policy information related to preparation of the Standalone Financial Statements have been disclosed in the respective notes.

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

Note 2: Critical estimates and judgements

The preparation of standalone financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual result. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the standalone financial statements.

The areas involving critical estimates and judgements are:

- Estimation of provisions recognized and contingent liabilities disclosed in respect of tax matters– Notes 8, 17, and 42;
- Impairment of trade receivables and other financial assets - Notes 6, 11 and 31A.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

3.1 Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation, and impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Depreciation method, estimated useful lives and residual value

Depreciation is calculated using the straight-line method as per the estimated useful lives of assets as below:

Asset category	Useful life (in years)
Building	
- Roads	5
- Buildings	5 - 60
Plant and equipment	
- Wooden casks	7 - 15
- Others	5 - 15
Furniture and fittings	10
Office equipment	
- Computers	3
- Servers	3
- Others	5
Vehicles	5

Useful lives of asset classes determined by management estimate, which are different than those prescribed under Schedule II of the Act are supported by internal technical assessment of the useful lives. Estimated useful lives based on technical evaluation considers the impact of additional depreciation for working extra shifts.

Refer note 50.1 for other accounting policies relevant to property, plant & equipment.

Particulars	Freehold land [refer notes (a) and (c) below]	Buildings [refer note (b) below]	Plant and equipment	Furniture and fittings	Office equipment	Vehicles	Total
Year ended March 31, 2024							
Gross carrying amount							
Opening	252	445	1,172	46	72	1	1,988
Additions	3	10	109	1	3	-	126
Disposals	-	(1)	(23)	(3)	(20)	-	(47)
Transfer to investment properties (refer note 3.5)	(113)	(85)	-	-	-	-	(198)
Closing gross carrying amount	142	369	1,258	44	55	1	1,869

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

3.1 Property, plant and equipment (Contd..)

Particulars	Freehold land [refer notes (a) and (c) below]	Buildings [refer note (b) below]	Plant and equipment	Furniture and fittings	Office equipment	Vehicles	Total
Accumulated depreciation and impairment							
Opening	74	181	659	38	56	1	1,010
Depreciation charge during the year	0	19	92	3	7	0	121
Impairment during the year	-	10	9	1	-	-	20
Disposals	-	-	(18)	(3)	(19)	-	(40)
Transfer to investment properties (refer note 3.5)	(20)	(65)	-	-	-	-	(85)
Closing accumulated depreciation and impairment	54	145	742	39	44	1	1,025
Net carrying value as at March 31, 2024	88	224	516	5	11	-	844
Year ended March 31, 2025							
Gross carrying amount							
Opening	142	369	1,258	44	55	1	1,869
Additions	-	21	97	6	2	-	126
Disposals	-	(4)	(21)	(15)	(1)	-	(41)
Transfer to investment properties (refer note 3.5)	(23)	(16)	-	-	-	-	(39)
Closing gross carrying amount	119	370	1,334	35	56	1	1,915
Accumulated depreciation and impairment							
Opening	54	145	742	39	44	1	1,025
Depreciation charge during the year	-	17	88	3	5	-	113
Disposals	-	(4)	(21)	(14)	(1)	-	(40)
Transfer to investment properties (refer note 3.5)	(17)	(16)	-	-	-	-	(33)
Closing accumulated depreciation and impairment	37	142	809	28	48	1	1,065
Net carrying value as at March 31, 2025	82	228	525	7	8	-	850

Notes:

- (a) Land includes:
- (i) gross carrying amount of ₹ 64 crores (2024: ₹ 79 crores) in respect of which the title deeds are in the name of erstwhile merged entities;
- (ii) gross carrying amount of Nil (2024: ₹ 8 crores) in respect of which the Company is not in the possession of title deeds. This property was acquired by the Company through amalgamations effected in the prior years and the amalgamation order is in possession of the Company; and
- (iii) gross carrying amount of Nil (2024: ₹ 3 crores) in respect of which title deeds are jointly held in the name of the Company and a third party.
- (b) Buildings include gross carrying amount of ₹ 34 crores (2024: ₹ 34 crores) in respect of which the Company has initiated litigation for execution of sale deed in favour of the Company.

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

- (c) The Company holds many properties, both freehold and leasehold. Many of the freehold properties have been acquired during the past two decades through mergers and amalgamations and as such their title deeds are in the name of the erstwhile transferor companies. The Company has title documents and other supporting evidences establishing ownership of these properties, makes payment of property taxes in relation to these properties, and is in peaceful possession.

Property, plant and equipment pledged as security

Refer note 33 for information on property, plant and equipment pledged as security by the Company.

Contractual obligations

Refer note 41 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

3.2 Right-of-use assets and lease liabilities

As a lessee

The Company recognises a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments, for example arrangements that require payments based on agreed minimum production volumes),
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee’s incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing as a starting point, adjusted to reflect changes in financing conditions since third party financing was received; and
- makes adjustments specific to the lease, e.g. term and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the company use that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset’s useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in Standalone Statement of Profit & Loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise items of buildings, office equipment and furniture.

This note provides information for leases where the Company is a lessee. The Company has taken on lease land, offices, warehouses, plant and equipment and office equipment. Lease contracts are typically entered into for 30 years to 100 years for leasehold land and for periods of 11 months to 10 years for other categories, and may have extension options as described in note (c) below. Some of the leasing arrangements entered into by the Company include cancellable lease terms.

(i) Amounts recognised in Standalone Balance Sheet

Particulars	As at March 31, 2025	As at March 31, 2024
Right-of-use assets		
Leasehold land	5	5
Buildings	53	19
Plant and equipment	399	201
Office equipment	0	2
Total	457	227

Movement of right-of-use assets during the year

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening	227	173
Additions / adjustments	394	184
Depreciation for the year	(147)	(129)
Termination of leases	(17)	-
Transfer to investment properties	-	(1)
Closing	457	227
Lease liabilities		
Current	146	103
Non-current	334	137
Total	480	240

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

(ii) Amounts recognised in the Standalone Statement of Profit and Loss

Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Depreciation charge of right-of-use assets	25		
- Leasehold land		-	0
- Buildings		16	9
- Plant and equipment		129	115
- Office equipment		2	5
Total		147	129
(b) Interest expenses (included in finance cost)	27	40	21
(c) Lease related expenses included in rent expenses	26		
Short term leases		8	14
Leases of low value assets		9	4
Variable lease payments (not included in lease liabilities)		228	182
Total		245	200

(iii) The total cash outflow for leases for the year ended March 31, 2025 was ₹ 422 crores (2024: ₹ 347 crores).

Notes:

(a) Additions / adjustments to the right-of-use assets for the year ended March 31, 2025 aggregate to ₹ 394 crores (2024: ₹ 184 crores).

(b) Variable lease payments

The Company has lease contracts for plant and equipment that contain variable payments. Variable lease payments that depend on production volumes are recognised in the Standalone Statement of Profit and Loss in the period in which the condition that triggers those payments occurs. Any changes in production under contracts which includes variable lease payments, would have a proportionate impact on the variable lease payments. Certain agreements contain clauses for minimum production volumes and hence portion of lease payments in these agreements are 'in-substance fixed'. "In-substance fixed" lease payments are included in the determination of the lease liabilities and consequently included in determining the value of right-of-use assets.

(c) Extension and termination options

Extension and termination options are included in a number of property and equipment leases. These are used to maximize operational flexibility in terms of managing the assets used in the Company's operations. Management considers contractual terms and conditions, leasehold improvements undertaken, costs relating to termination of lease, incentives receivable from the Government (if any) and significance of the underlying asset to the Company's operations in determining the lease term for the purpose of recognising/ measuring the lease liability.

(d) Leasehold land includes gross carrying amount of ₹ 8 crores (2024: ₹ 8 crores) in respect of which the Company is in possession of photocopies of the title deeds.

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

3.3 Capital work-in-progress

Movement of Capital Work-In-Progress (CWIP) set-out below:

Particulars	As at March 31, 2025	As at March 31, 2024
Opening	37	67
Additions	161	96
Assets capitalised during the year	(126)	(126)
Closing	72	37

The ageing schedule for CWIP is set-out below:

Particulars	As at March 31, 2025	As at March 31, 2024
Projects in progress		
Less than 1 year	64	24
1-2 years	-	9
2-3 years	7	2
More than 3 years	1	2
Total	72	37

Projects under suspension amounted to ₹ 1 crore (2024 : ₹ 1 crore).

Expected completion timelines of CWIP projects whose completion is overdue or has exceeded its cost compared to its original plan is set-out below:

Particulars	As at March 31, 2025	As at March 31, 2024
Less than 1 year		
Health, Safety and Environment protection projects	-	1
Brand innovation projects	4	4
Support core growth projects	4	6
Productivity improvement projects	36	7
Others	6	9
Total	50	27
1-2 years		
Others	-	0

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

3.4 Intangible assets

Brand and licenses

Licenses acquired are carried at cost less accumulated amortisation and impairment losses, if any. Brands are regarded as having indefinite useful lives and are not amortised, but are assessed for impairment at every reporting date.

Computer software

Computer software acquired or developed are carried at cost less accumulated amortisation and impairment losses, if any. Costs associated with maintaining software programs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of customised computer software applications are recognised as intangible assets under development or intangible assets when ready for intended use, when the following criteria are met:

- a) it is technically feasible to complete the software so that it will be available for use,
- b) there is an ability to use or sell the software,
- c) it can be demonstrated that the software will generate probable future economic benefits,
- d) adequate technical, financial and other resources to complete the development and to use the software are available, and
- e) the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the customised software applications include employee costs and other directly attributable costs are amortised from the point at which the software asset is available for use.

Amortisation method and useful lives

The company amortises intangible assets with finite useful life using the straight-line method over their estimated useful lives as follows:

Asset category	Useful life(years)
Licenses	Over the license period
Computer software	5

Refer note 50.2 for other accounting policy relevant to intangible assets.

Particulars	Brands	License	Computer software	Total
Year ended March 31, 2024				
Gross carrying amount				
Opening	1	0	69	70
Additions to internally developed intangible assets	-	-	18	18
Closing gross carrying amount	1	0	87	88
Accumulated amortisation and impairment				
Opening	1	0	38	39
Amortisation charge for the year	-	-	14	14
Closing accumulated amortisation and impairment	1	0	52	53

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

Particulars	Brands	License	Computer software	Total
Net carrying value as at March 31, 2024	-	0	35	35
Year ended 31st March 2025				
Gross carrying amount				
Opening	1	0	87	88
Additions to internally developed intangible assets	-	-	2	2
Closing gross carrying amount	1	0	89	90
Accumulated amortisation and impairment				
Opening	1	0	52	53
Amortisation charge for the year	-	-	13	13
Closing accumulated amortisation and impairment	1	0	65	66
Net carrying value as at March 31, 2025	-	-	24	24

3.5 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset’s carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Movement of investment properties is set-out below:

Particulars	As at March 31, 2025	As at March 31, 2024
Gross carrying amount		
Opening	243	57
Transfer from property, plant and equipment	39	198
Transfer from right of use assets	-	2
Disposal	(83)	(14)
Closing gross carrying amount	199	243
Accumulated depreciation and impairment		
Opening	104	32
Transfer from property, plant and equipment	33	85
Transfer from right of use assets	-	1
Depreciation charge for the year	1	-
Depreciation and impairment on disposal	(14)	(14)
Closing accumulated depreciation and impairment	124	104
Closing net carrying amount	75	139

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

Estimation of fair value:

The Company obtains independent valuations for its investment properties. The best evidence of fair value is current prices in an active market for similar properties. When such information is not available, the Company considers information from a variety of sources including :

- (a) current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences;
- (b) discounted cash flow projections based on reliable estimates of future cash flows; and
- (c) capitalised income projection based upon a property’s estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

The fair value of investment property has been determined by a valuation expert who holds relevant professional qualification and experience. The market value of the investment properties has been assessed on an open market basis with the benefit of vacant possession. In the course of valuation, a direct comparison method has been adopted by making a reference to the relevant market transaction in land and building where the investment property is located. The appropriate adjustments have been made in order to account for the differences between the subject property and comparable terms of time, floor level, view, condition, quality and facilities etc. All resulting fair value estimates for investment properties are included in level 3.

Notes:

- (a) Investment properties include land of:
 - (i) gross carrying amount of ₹ 72 crores (2024: ₹ 113 crores) in respect of which the title deeds are in the name of erstwhile merged entities;
 - (ii) gross carrying amount of ₹ 2 crores (2024: ₹ 1 crore) in respect of which title deeds are jointly held in the name of the Company and third party;
 - (iii) gross carrying amount of ₹ 1 crore (2024: ₹ 1 crore) in respect of which the Company is in possession of photocopies of the title deeds;
 - (iv) gross carrying amount of ₹ 7 crores (2024: ₹ 6 crores) in respect of which the Company is in possession of combination of original and photocopy of title deeds; and
 - (v) gross carrying amount of ₹ 8 crores (2024: Nil) in respect of which the Company is not in the possession of title deeds. This property was acquired by the Company through amalgamations effected in the prior year and the amalgamation order is in possession of the Company;
- (b) Opening and closing cost of investment properties includes payments below rounding off norms adopted by the Company towards fully paid shares held in a co-operative housing society for the purpose of acquiring the right of occupation in respect of which Company is in possession of photocopy of share certificate in co-operative society.
- (c) The Company periodically reviews the fair value of investment properties. Fair value of investment properties is ₹ 516 crores (2024: ₹ 485 crores).
- (d) The restrictions on realisability of investment properties are mentioned in note (a) above.
- (e) There is no contractual obligation to purchase, construct or develop investment properties or for repairs, maintenance or enhancements.

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

4.1 Investments in subsidiaries and joint ventures

	Face value (Per share)	Number of shares	As at March 31, 2025	Number of shares	As at March 31, 2024
Non-current					
a) Investments in subsidiaries					
Investment in equity instruments carried at cost (fully paid-up)					
Unquoted					
McDowell & Co (Scotland) Limited	£ 1	15,75,000	13	15,75,000	13
Shaw Wallace Overseas Limited	£ 1	3,57,745	-	3,57,745	-
Asian Opportunities & Investments Limited	\$ 1	49,98,706	-	49,98,706	-
Palmer Investment Group Limited	\$ 1	1,50,00,000	-	1,50,00,000	-
USL Holdings Limited (refer note (iv) below)	\$ 1	76,66,40,114	-	76,66,40,114	-
Royal Challengers Sports Private Limited	₹ 10	14,690	42	14,690	42
Total investments in subsidiaries			55		55
b) Investment in joint ventures					
Unquoted					
Nao Spirits & Beverages Private Limited [refer note (ii) below]					
- Equity shares carried at cost	₹ 10	4,670	12	4,670	12
- Compulsorily convertible preference shares carried at cost	₹ 10	14,172	34	14,172	37
			46		49
Inspired Hospitality Private Limited [refer note (iii) below]					
- Equity shares carried at cost	₹ 10	10	0		-
- Compulsorily convertible preference shares carried at cost	₹ 10	3,494	6		-
			6		-
V9 Beverages Private Limited [refer note (iii) below]					
- Equity shares carried at cost	₹ 10	10	0		-
- Compulsorily convertible preference shares carried at cost	₹ 10	1,972	2		-
			2		-
Indie Brews and Spirits Private Limited [refer note (iii) below]					
- Equity shares carried at cost	₹ 10	10	0		-
- Compulsorily convertible preference shares carried at cost	₹ 10	4,016	5		-
			5		-
Total investments in joint ventures			59		49

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

4.1 Investments in subsidiaries and joint ventures (Contd..)

	Face value (Per share)	Number of shares	As at March 31, 2025	Number of shares	As at March 31, 2024
c) Investment in a trust controlled by the Company					
Investment as sole beneficiary in USL Benefit Trust measured at cost [refer note (i) below]			120		120
Total investments			234		224
Aggregate amount of unquoted investments			234		224

Notes:

(i) Investment as a sole beneficiary in USL Benefit Trust (the 'Trust') was recorded as per the terms of composite scheme of arrangement approved by the Honourable High Courts of Karnataka and Bombay, upon amalgamating various companies with United Spirits Limited. The Trust has been established for the exclusive benefit of the Company and holds 1,72,95,450 equity shares of ₹ 2/- face value (2024: 1,72,95,450 equity shares of ₹ 2/- face value) of the Company [refer note 13(h)]. As per the terms of the aforesaid scheme of arrangement, the Company has carried this investment at the aggregate of book value as per the books of the concerned transferor companies. Also refer note 33(b) for assets pledged and note 40(d). The Company is the sole beneficiary of the Trust. Hence, dividend paid by the Company to the Trust on the treasury shares held by the Trust is remitted back to the Company. Accordingly, the Company in its Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows has disclosed the dividend paid to the shareholders net of the amount received back from the trust.

(ii) During the year ended March 31, 2023, the Company acquired the interest in Nao Spirits & Beverages Private Limited ("Nao Spirits") by investing ₹ 32 crores by subscribing to 8,094 compulsory convertible preference shares and 4,670 equity shares. During the prior year, the Company infused additional amount of ₹ 15 crores by subscribing to 6,078 compulsorily convertible preference shares. The Company holds 30% (2024: 30%) ownership interest on a fully diluted basis (11% of equity ownership interest) as at March 31, 2025. Management has considered Nao Spirits to be an joint venture since the company has joint control over its operating and financing decisions.

In accordance with the Shareholder's agreement, the Company has a right to purchase all or any of the shares held by promoters, existing investors and other shareholders upon occurrence of earlier of the Nao Spirits achieving the specified sales volume threshold or July 1, 2025. The exercise price of the call option as specified in the Shareholders' agreement is equal to its fair value and shall be in accordance with applicable law, including the Foreign Exchange Management Act, 1999.

(iii) During the current year, the Company acquired the interest in below joint ventures and details are as follows :

- Inspired Hospitality Private Limited ("Pistola") - Invested ₹ 6 crores by subscribing to 3,494 compulsory convertible preference shares and 10 equity shares.The Company holds 15% (2024: Nil) ownership interest on a fully diluted basis as at March 31, 2025.
- V9 Beverages Private Limited ("Sober") - Invested ₹ 2 crores by subscribing to 1,972 compulsory convertible preference shares and 10 equity shares. The Company holds 15% (2024: Nil) ownership interest on a fully diluted basis as at March 31, 2025.
- Indie Brews and Spirits Private Limited ("Quaffine") - Invested ₹ 5 crores by subscribing to 4,016 compulsory convertible preference shares and 10 equity shares. The Company holds 25% (2024: Nil) ownership interest on a fully diluted basis as at March 31, 2025.

Management has considered these investments as joint ventures since the company has joint control over its operating and financing decisions. In accordance with the shareholder's agreement with the respective joint ventures, the Company has a right to purchase all or any of the shares held by promoters, existing investors and other shareholders upon occurrence of earlier of achieving the specified sales volume threshold or date specified thereon. The exercise price of the call option shall be determined in accordance with a formula specified in the shareholder's agreement. As at March 31, 2025, fair value of the said call option has been determined to be immaterial.

Notes forming part of the standalone financial statements

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(All amounts in ₹ crores unless otherwise stated)

- (iv) The outstanding loans (including interest accrued and reimbursement of expenses) to USL Holdings Limited aggregating to USD 76,61,40,114, in equivalent USD terms (₹ 5,627 crores) was converted to equity shares of USL Holdings Limited on September 21, 2020. Management has made the relevant filing with the RBI on December 19, 2020 for the above conversion.

Subsequently, the Authorised Dealer (AD) Bank has intimated the Company to file certain regulatory forms to regularise the conversion. Management is in the process of filing the forms with the AD bank.

4.2 Investments - current

(i) Debt instruments:

On initial recognition, the debt instruments are measured at fair value. Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset.

- Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.
- Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI.
- Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss.

(ii) Investment in mutual funds:

On initial recognition, these are measured at fair value, and subsequently, carried at fair value through profit and loss.

Particulars	As at March 31, 2025	As at March 31, 2024
Quoted		
Money market funds	773	499
Treasury bills at amortized cost	100	100
Total current investments	873	599
Aggregate amount of quoted investments	873	599
Aggregate market value of quoted investments	873	599

5 Loans

	As at March 31, 2025		As at March 31, 2024	
	Current	Non-current	Current	Non-current
Loan to UBHL and related entities [refer note 40(c)]	-	1,238	-	1,238
Loans to subsidiaries/ joint venture [refer note 36(c) (iv)]	18	76	-	74
Loans to employees	2	-	1	-
Loans to others	2	-	9	-
	22	1,314	10	1,312
Less: Loss allowance				
Loan to UBHL [refer note 40(c)]	-	(1,238)	-	(1,238)
Loans to subsidiaries [refer note 36(c)(v)]	-	(76)	-	(74)
	-	(1,314)	-	(1,312)
Total loans	22	-	10	-

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
Details of securities/ categorisation of credit risk on loans		
Loans considered good- secured	20	9
Loans considered good- unsecured	2	1
Loans- credit impaired	1,314	1,312
Total	1,336	1,322
Less: Loss allowance	(1,314)	(1,312)
Total loans	22	10

6 Other financial assets

	As at March 31, 2025		As at March 31, 2024	
	Current	Non-current	Current	Non-current
Balances with banks [refer note below]	-	46	-	46
Term deposit with bank with remaining maturity period more than 12 months	-	273	-	-
Receivable from related parties [refer note 36(c)(i)]	5	-	4	-
Receivable from Tie-up manufacturing units	60	7	7	25
Government grant	8	72	16	72
Security deposits	15	17	13	17
Other receivables [refer note (c)]	172	13	1	14
	260	428	41	174
Less: Loss allowance				
Receivable from Tie-up manufacturing units	-	(7)	-	(25)
Government grant	-	(15)	-	(15)
Security deposits	-	(9)	-	(9)
Other receivables	(1)	(13)	(1)	(13)
	(1)	(44)	(1)	(62)
Total other financial assets	259	384	40	112

Notes :

Balances with banks comprise of:

- (a) Deposit of ₹ 46 crores (2024: ₹ 46 crores) with a bank in suspense account (refer note 40(d)).
- (b) Represents bank deposits under lien in respect of bank guarantees provided to tax authorities ₹ 0 crores (2024: ₹ 0 crores).
- (c) Cheques on hand includes ₹ 170 crores (2024 : Nil) which was encashed on April 2, 2025.

Refer note 31 for information about financial risk management.

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

7 Deferred tax assets (net)

	As at March 31, 2025	As at March 31, 2024
Deferred tax assets		
Allowance for doubtful receivable balances	65	71
Expenses allowed on payment basis	96	86
Indexation benefit on land	-	11
Lease liabilities	121	60
Others	24	24
	306	252
Deferred tax liabilities		
Difference between carrying amount and tax base of property, plant and equipment, investment property and intangible assets	37	19
Right-of-use assets	114	56
	151	75
Total Deferred tax assets (net)	155	177

Movement in deferred tax assets

	Doubtful receivable balances	Expenses allowed on payment basis	Difference between carrying amount and tax base of property, plant and equipment and intangible assets	Indexation benefit on land	Right- of-use assets	Lease liabilities	Others	Total
As at April 1, 2023	61	77	(17)	7	(25)	30	24	157
(Charged) / credited:								
- to profit and loss	10	8	(2)	4	(31)	30	-	19
- to other comprehensive income	-	1	-	-	-	-	-	1
As at March 31, 2024	71	86	(19)	11	(56)	60	24	177
(Charged) / credited:								
- to profit and loss	(6)	9	(18)	(11)	(58)	61	-	(23)
- to other comprehensive income	-	1	-	-	-	-	-	1
As at March 31, 2025	65	96	(37)	-	(114)	121	24	155

Note: The Company has recognised deferred tax asset on brought forward capital loss which has been used to settle current tax on sale of a land which occurred during the year.

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

8 Income tax balances

	As at March 31, 2025	As at March 31, 2024
Current tax liabilities (net of tax assets of ₹ 111 crores (2024: 138 crores))	358	324
Non-current tax assets (net of provision for current tax of ₹ 488 crores (2024: 393 crores))	1,095	1,348

Note:
The above amounts include amounts paid under protest of ₹ 1,191 crores (2024: ₹ 1,481 crores) pertaining to various assessment years.

9 Other assets

	As at March 31, 2025		As at March 31, 2024	
	Current	Non-current	Current	Non-current
Capital advances				
Considered good (refer note (b) below)	-	8	-	6
Balances with government authorities (refer note (a) below)				
Considered good	89	186	120	180
Considered doubtful	16	14	25	18
Advances to suppliers				
Considered good	76	-	73	-
Considered doubtful	-	82	-	84
Net surplus in gratuity plan [refer note 38(b)C]	-	21	-	30
Pre-paid expenses	132	-	141	-
	313	311	359	318
Less: Loss allowance	(16)	(96)	(25)	(102)
Total other assets	297	215	334	216

Notes:

(a) Balance with government authorities includes:

(i) ₹ 124 crores (2024: ₹ 123 crores) paid under protest in respect of disputed indirect tax matters; and

(ii) ₹ 10 crores (2024: ₹ 5 crores) paid under protest in respect of water charges (refer note 17)

(b) Capital advances considered good includes an amount of ₹ 2 crores (2024: ₹ 2 crores) being advance paid towards purchase of land pursuant to an "agreement to sell" entered by the Company with the owners of the land. This matter is currently litigated at the High Court of Bombay.

Notes forming part of the standalone financial statements

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(All amounts in ₹ crores unless otherwise stated)

10 Inventories

Raw materials and stores and spares, work in progress, stock in trade and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and stock in trade comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost is computed on a weighted average basis. Excise duty, as applicable, is included in the valuation.

Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

	As at March 31, 2025	As at March 31, 2024
Raw materials	647	472
[including materials in transit ₹ 82 crores (2024: ₹ 82 crores)]		
Work-in-progress [refer note (a) below]	534	636
Finished goods	694	500
[including goods in transit ₹ 75 crores (2024: ₹ 56 crores)]		
Stock-in-trade	252	266
[including goods in transit ₹ 95 crores (2024: ₹ 64 crores)]		
Packing materials	163	172
[including materials in transit ₹ 0 crores (2024: ₹ 8 crores)]		
Stores and spares	15	17
Total inventories	2,305	2,063

Notes:

(a) Allowance for obsolete inventories (net) for the year amounting to ₹ (2) crores (2024: ₹ 67 crores) has been recognised as a (credit)/charge during the year and is included in cost of materials consumed and change in inventories of finished goods, work-in-progress and stock-in-trade in the Standalone Statement of Profit and Loss.

(b) Inventories include inventory held by tie up manufacturing units amounting to ₹ 74 crores (2024: ₹ 82 crores).

11 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflect the Company's unconditional right to consideration (that is, payment is due only on the passage of time).Trade receivables are recognised initially at the transaction price, unless it contains a significant financing component in which case, it is recognised at fair value. The company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance. For trade receivables, the Company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

	As at March 31, 2025		As at March 31, 2024	
	Current	Non-current*	Current	Non-current*
From contracts with customers - related parties [refer note 36(c)(ii)]	0	-	2	-
From contracts with customers - others	3,469	340	2,933	365
	3,469	340	2,935	365
Less: Loss allowance	(181)	-	(172)	-
Total trade receivables	3,288	340	2,763	365
Details of securities/ categorisation of credit risk of trade receivables				
Trade receivables considered good- unsecured	3,469	340	2,935	365
Total	3,469	340	2,935	365
Less: Loss allowance	(181)	-	(172)	-
Total trade receivables	3,288	340	2,763	365

Notes:

(a) Refer note 31 for information about financial risk management.

* Balance as at March 31, 2025 includes financing component of ₹ 25 crores. Also, refer note 48 for details.

Trade receivables ageing schedule is set-out below:

	As at March 31, 2025	As at March 31, 2024
a. Undisputed-considered good		
Unbilled dues	-	-
Not due	2,535	2,307
Less than 6 months	335	523
6 months -1 year	451	20
1-2 years	52	22
2-3 years	10	8
More than 3 years	28	22
sub-total	3,411	2,902
b. Disputed - considered good		
Unbilled dues	-	-
Not due	-	218
Less than 6 months	-	148
6 months -1 year	191	4
1-2 years	174	7
2-3 years	10	4
More than 3 years	23	17
sub-total	398	398
Total	3,809	3,300
Less: Loss allowance	(181)	(172)
Total trade receivables	3,628	3,128

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

12.1 Cash and cash equivalents

Cash and cash equivalents includes cash on hand and balances with banks that are readily convertible to known amounts of cash and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Highly liquid investments includes overnight and liquid mutual funds which the Company has intention to hold for very short period of time to manage day to day cashflow requirements.

	As at March 31, 2025	As at March 31, 2024
Balances with banks		
In current account	68	68
Term deposits with original maturity of less than three months (refer note a)	200	397
Other cash equivalents		
Overnight and liquid mutual funds	587	547
Cheques on hand	-	9
Unpaid dividend accounts (earmarked)	295	0
	1,150	1,021

Note:

(a) Includes ₹ 40 crores (2024 : ₹ Nil) being term deposit with banks held under lien.

12.2 Bank balances other than cash and cash equivalents

	As at March 31, 2025	As at March 31, 2024
In unpaid public deposit accounts [refer note (a) below]	0	0
Bank deposits due to mature within 12 months from the reporting date [refer note (b) below]	627	190
	627	191
Less : Loss allowance	(4)	(3)
Total bank balances other than cash and cash equivalents	623	188

Notes:

a) Includes ₹ 0 crores (2024: ₹ 0 crores) transferred to a separate non-interest bearing escrow account pertaining to unclaimed public deposits which had matured in earlier years and for which duly discharged deposit receipts were not received from deposit holders.

b) Includes ₹ 5 crores (2024: ₹ 7 crores) being term deposit with banks held under lien.

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

13 Equity share capital

	As at March 31, 2025	As at March 31, 2024
Authorised		
2,82,75,00,000 equity shares of ₹ 2/- each (2024: 2,82,75,00,000 equity shares of ₹ 2/- each)	565	565
17,37,00,000 preference shares of ₹ 10/- each (2024: 17,37,00,000 preference shares of ₹ 10/- each)	174	174
	739	739
Issued, subscribed and paid-up		
72,73,50,853 equity shares of ₹ 2/- each (2024: 72,73,50,853 equity shares of ₹ 2/- each) fully paid up	145	145
	145	145

(a) Reconciliation of the number of shares outstanding

	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	72,73,50,853	145	72,73,50,853	145
Add: equity shares issued during the year	-	-	-	-
Balance at the end of the year	72,73,50,853	145	72,73,50,853	145

(b) Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a face value of ₹ 2/- per share. Each holder of the equity shares is entitled to 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, except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, if any in proportion to their holdings.

(c) Shares held by holding / ultimate holding company

Out of the equity shares issued by the Company, shares held by the holding company are as below:

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
Diageo Relay B.V. (wholly owned subsidiary of Diageo Plc) [refer note below]	40,64,47,245	81	40,64,47,245	81
Total	40,64,47,245	81	40,64,47,245	81

(d) The Company has not issued any shares for consideration other than cash during the period of five years immediately preceding the reporting date except for 7,12,138 shares allotted to the non-controlling shareholders of Pioneer Distilleries Limited (PDL) as a result of amalgamation during the year ended March 31, 2023.

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

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

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	% of holding	No. of shares	% of holding
Diageo Relay B.V. (formerly known as Relay B. V.) [refer note below]	40,64,47,245	55.88%	40,64,47,245	55.88%

(f) There are no shares reserved for issue under options and contracts / commitments for the sale of shares.

(g) There are no bonus shares issued or bought back during the period of five years immediately preceding the reporting date.

(h) Details of shares in the Company held by subsidiaries, joint ventures or trusts controlled by the Company:

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	% of holding	No. of shares	% of holding
USL Benefit Trust (refer note 4.1)	1,72,95,450	2.38%	1,72,95,450	2.38%

(i) Disclosure of shareholding of promoters

Name of promoter	As at March 31, 2025		As at March 31, 2024		% change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
Diageo Relay B.V.	40,64,47,245	55.88%	40,64,47,245	55.88%	-
United Breweries (Holdings) Limited	55,55,265	0.76%	55,55,265	0.76%	-
Vijay Mallya	62,550	0.01%	62,550	0.01%	-
Vittal Investments Private Limited	1,56,350	0.02%	1,56,350	0.02%	-
Total	41,22,21,410	56.67%	41,22,21,410	56.67%	-

Note: On December 20, 2013, the Honorable Karnataka High Court passed an order in the matter involving United Breweries (Holdings) Limited (UBHL) and its creditors and the Diageo Plc. setting aside an earlier leave order which permitted UBHL to sell 1,01,41,437 equity shares of ₹ 10/- each (prior to the face value of the shares being split from ₹ 10 each to ₹ 2 each during the year ended March 31, 2019) in the Company to Diageo Relay B.V. (formerly known as Relay B.V.), pending disposal of the winding up petitions against UBHL. On the above matter, UBHL and Diageo plc. have approached the Honorable Supreme Court by way of special leave petitions (SLPs) challenging the order of the division bench. Pending, disposal of the above SLPs, the Honorable Supreme Court has directed that status quo be maintained in respect of the above mentioned transaction of sale of shares to Diageo Relay B.V. (formerly known as Relay B.V.). Such shares are included in arriving at Diageo Relay B.V.'s shareholding in the Company.

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

14 Reserves and surplus

	As at March 31, 2025	As at March 31, 2024
Capital reserve	95	95
Capital redemption reserve	72	72
Securities premium account	4,568	4,568
Central subsidy	0	0
Share based incentive reserve	1	1
Contingency reserve	11	11
General reserve	1,103	1,103
Retained earnings	1,884	968
Total reserves and surplus	7,734	6,818

Nature and purpose of reserves:

- a) **Capital reserve:** Created pursuant to a Scheme of Amalgamation between the Company and SW Finance Co. Limited, sanctioned by the Honourable High Court of Karnataka and Honourable High Court of Bombay under the orders dated June 12, 2015 and August 28, 2015, respectively. The balance also includes capital reserve arising on amalgamation of Pioneer Distilleries Limited ("PDL") with the Company vide order of the Honourable National Company Law Tribunal (NCLT) on December 02, 2022.
- b) **Capital redemption reserve:** Created for an amount equivalent to the nominal value of shares redeemed in earlier years by the Company (including the erstwhile Companies that were merged with the Company through several schemes of amalgamations / mergers).This also includes capital redemption reserve taken over upon amalgamation of PDL.
- c) **Securities premium account:** Securities premium account is credited when shares are issued at premium. The balance is utilised in accordance with the provisions of the Act.
- d) **Central subsidy:** The balance is taken over on amalgamation of Shaw Wallace Distilleries Limited with the Company during the year ended March 31, 2006 as per the terms of the arrangement approved by the Honorable High Courts of Karnataka and Bombay.
- e) **Share based incentive reserve:** The share-based incentive reserve is used to recognise grant date fair value of Diageo Plc's share options issued under the Diageo Plc's share-based payment arrangement. Recharges towards under this arrangements are debited to this reserve.
- f) **Contingency reserve:** The balance is taken over on amalgamation of McDowell Spirits Limited with the Company during the year ended March 31, 2001 as per the terms of the arrangement approved by the Honorable High Court of Karnataka.
- g) **General reserve:** The General reserve is created by way of transfer of profits from retained earnings for appropriation purposes. This reserve is utilised in accordance with the provisions of the Act.
- h) **Retained earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

15 Borrowings

	Maturity date	Terms of repayment	Coupon/ interest rate	As at March 31, 2025	As at March 31, 2024
Non-current					
Unsecured					
Sales tax deferment liability	April 21, 2024	Repayable in five equal annual installments (2019-20 to 2024-25)	12% p.a.	-	0
				-	0
Less: Current maturities of deferred sales tax liability				-	0
Total non-current borrowings				-	-
Current					
Current maturities of deferred sales tax liability				-	0
Total current borrowings				-	0
Total borrowings				-	0

Notes:

- a) Sales tax collected under deferral scheme of State Government of Maharashtra for 11 years (from 1999-00 to 2009-10) and was repayable in 5 equal annual installments with final installment paid on April 21, 2024.

b) Net debt reconciliation

(i) Net debt summary:

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
Current borrowings	15	-	0
Lease liabilities	3.2	480	240
Total debt		480	240
Less: Cash and cash equivalents	12.1	1,150	1,021
Net debt/ (cash)		(670)	(781)

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

(ii) Movements in net debt:

Particulars	Lease liabilities	Sales tax deferment	(Less) Cash and cash equivalents	Net debt
Net debt/(cash) as on April 1, 2023	182	1	(81)	102
Acquisition- leases (net)	184	-	-	184
Interest expense (refer note 27)	21	-	-	21
Interest paid	(21)	-	-	(21)
Principal lease payments	(126)	-	-	(126)
Repayment of debt	-	(1)	-	(1)
Cash outflows / (inflows)	-	-	(940)	(940)
Net debt/(cash) as at March 31, 2024	240	0	(1,021)	(781)
Acquisition- leases (net)	377	-	-	377
Interest expense (refer note 27)	40	-	-	40
Interest paid	(40)	-	-	(40)
Principal lease payments	(137)	-	-	(137)
Repayment of debt	-	(0)	-	(0)
Cash outflows / (inflows)	-	-	(129)	(129)
Net debt/(cash) as at March 31, 2025	480	-	(1,150)	(670)

16 Other financial liabilities

	As at March 31, 2025	As at March 31, 2024
Current		
Unpaid / unclaimed dividends [refer note (a) below]	4	0
Dividend payable	291	-
Others		
Due to Tie-up manufacturing units	17	43
Capital creditors	24	20
Employee benefits payable	108	100
Other financial liabilities	40	41
Total other current financial liabilities	484	204

Note:

(a) As at March 31, 2025 no balances are due to be transferred to IEPF (2024: Nil)

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

17 Provisions

	As at March 31, 2025		As at March 31, 2024	
	Current	Non-current	Current	Non-current
Employee benefits				
Compensated absences (refer note (iii) below)	38	-	33	-
Pension liability [refer note 38(b)(C)]	-	-	0	-
Share appreciation rights (refer note 34)	10	16	29	15
Provision for indirect tax and other legal matters (refer notes (a), (i) & (ii) below)	325	-	305	-
Commitment towards “Raising the Bar” programme (refer note (b) below)	-	-	0	-
Total provisions	373	16	367	15

Notes:

(a) Movement in provisions for indirect taxes and other legal matters :

Description	As at April 1, 2024	Additions/ (amounts written back)	Amounts utilised	As at March 31, 2025
Indirect taxes and other legal matters [refer (i) and (ii) below]	305	21	(1)	325

(b) Movement in commitment towards “Raising the Bar” programme :

Description	As at April 1, 2024	Additions/ (amounts written back)	Amounts utilised	As at March 31, 2025
Commitment towards “Raising the Bar” programme	0	-	(0)	-

Notes :

- (i) Provision for indirect tax and other legal matters includes provision for water charges in the State of Maharashtra. The Company has filed petition before the High Court of Bombay, challenging multiple demands raised by Water Resources Department, State of Maharashtra, levying additional water charges and an interim relief against any coercive steps has been received. The Company has received further demands from the said Department levying water charges at a higher rate along with penalties for the period from November 2018 to March 2025. Based on a legal opinion obtained, Management has determined that the provision recorded in the books represents probable cash outflows on account of additional water charges. Any further cash outflows in addition to the provision amount on account of this matter are considered remote.
- (ii) Provision is made for probable cash outflow arising out of pending or potential indirect tax disputes / litigations. It is not practicable for the Company to estimate the timing of the cash outflows, if any, in respect of the above, pending resolution of respective proceedings. Refer note 9(a) for payments made under protest in respect of indirect tax and other legal matters.
- (iii) The entire amount of provision for compensated absences is presented as current, since the Company does not have an unconditional right to defer settlement of these obligations beyond a period of 12 months from the Standalone Balance Sheet date. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leave or require payment within the next 12 months. The amount of compensated absences not expected to be settled within next 12 months amounts to ₹ 31 crores (2024: ₹ 26 crores).

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

18 Trade payables

	As at March 31, 2025	As at March 31, 2024
Dues to micro and small enterprises (refer note 43)	74	69
Dues to creditors other than micro and small enterprises		
Dues to related parties [refer note 36(c)(iii)]	357	231
Others	1,721	1,527
Total trade payables	2,152	1,827

Trade payables ageing schedule is set-out below:

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Undisputed dues - micro and small enterprises		
Unbilled	14	6
Not due	52	51
Less than 1 year	8	11
1-2 years	0	0
2-3 years	0	0
More than 3 years	0	1
sub-total	74	69
(ii) Undisputed dues - others		
Unbilled	1,149	852
Not due	751	556
Less than 1 year	165	333
1-2 years	4	7
2-3 years	4	2
More than 3 years	5	8
sub-total	2,078	1,758
Total	2,152	1,827

19 Other current liabilities

	As at March 31, 2025	As at March 31, 2024
Contract liabilities (refer note below)	34	39
Statutory liabilities	398	408
Liability for taxes on closing inventory (net of prepaid taxes)	544	355
Total other current liabilities	976	802

Note:

The Company has made sales and has recognised revenue amounting to ₹ 39 crores (2024: ₹ 51 crores) during the year from advance from customers outstanding as at the beginning of the year. It similarly expects to recognise revenue in FY 2025-26 from the closing balance of advance from customers as at March 31, 2025.

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

20 Revenue from operations

Revenue comprises revenue from contracts with customers for sale of goods and income from brand franchisee royalties receivable. Revenue from sale of goods is inclusive of excise duties, as applicable, and is net of returns, trade allowances, rebates, value added taxes and such amounts collected on behalf of third parties.

Revenue is recognised as and when performance obligations are satisfied by transferring goods or services to the customers as below:

a. Revenue from sale of products:

Revenue is recognised on transfer of control, being on dispatch of goods or upon delivery to customer, in accordance with the terms of sale.

b. Revenue from manufacture and sale of products from Tie-up manufacturing arrangements:

The Company has entered into arrangements with Tie-up Manufacturing Units (TMUs), where-in TMUs manufacture and sell beverage alcohol on behalf of the Company. Under such arrangements, the Company has exposure to significant risks and rewards in such arrangements i.e. it has the primary responsibility for providing goods to the customer, has pricing latitude and is also exposed to inventory and credit risks. The Company is considered to be a principal in such arrangements with TMUs. Accordingly, the transactions of the TMUs under such arrangements have been recorded as gross revenue, excise duty and expenses as if they were transactions of the Company. The Company presents inventory held by the TMUs under such arrangements as its own inventory. The net receivables from/ payable to TMUs are recognised under other financial assets/ other financial liabilities respectively.

c. Income from brand franchise arrangements:

Revenue in respect of fixed income brand franchise arrangements is recognised proportionately in each period. Income from variable franchise arrangements is recognised based on the terms of the respective contracts upon sale of products by the franchisees.

	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from contracts with customers:		
- Sale of products (includes excise duty)	26,640	25,251
- Income from brand franchise arrangements	84	76
	26,724	25,327
Other operating revenue:		
- Scrap sales	42	51
- Miscellaneous	14	11
	56	62
Total revenue from operations	26,780	25,389
Reconciliation between contract price and revenue recognised		
Contract price	28,212	26,653
Less: Items offset against revenue from contracts with customers as required under Ind AS 115	(1,488)	(1,326)
Revenue from sale of products	26,724	25,327

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

	For the year ended March 31, 2025	For the year ended March 31, 2024
Disaggregation of revenue from contracts with customers		
Categories of products		
Prestige and above	10,270	9,345
Popular	1,121	1,113
Others	126	172
Add: Excise duty collected from customers	15,207	14,697
Total	26,724	25,327

21 Other income

	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest income on term deposits and investments held at amortised cost	59	39
Interest on direct and indirect tax refunds	26	87
Interest income from loans to subsidiary/joint ventures held at amortised cost [refer note 36(b)(iv)]	1	0
Dividend income from subsidiary (carried at cost) [refer note 36(b)(xiv)]	120	125
Gain on disposal of property, plant and equipment (net)	99	13
Profit on redemption of mutual fund units	68	42
Increase in fair value of investments	16	18
Bad debts / advances recovered	1	4
Miscellaneous income	36	7
Total other income	426	335

22 Cost of materials consumed

	For the year ended March 31, 2025	For the year ended March 31, 2024
Raw materials	3,315	3,262
Packing materials	2,128	1,992
Total cost of materials consumed	5,443	5,254

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

23 Changes in inventories of finished goods, work-in-progress and stock-in-trade

	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening inventory:		
Finished goods	500	550
Work-in-progress	636	602
Stock-in-trade	266	390
Total opening balance (A)	1,402	1,542
Closing inventory:		
Finished goods	694	500
Work-in-progress	534	636
Stock-in-trade	252	266
Total closing balance (B)	1,480	1,402
Increase / (decrease) in excise duty on finished goods, net (C)	168	(21)
Total changes in inventories of finished goods, work-in-progress and stock-in-trade (A-B+C)	90	119

24 Employee benefits expense

	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, wages and bonus	522	435
Contribution to provident and other funds [refer note 38(a)]	21	23
Defined benefits plans cost [refer note 38(b)D]	6	10
Share based payment expense (refer note 34)	17	37
Staff welfare expenses	39	38
Total Employee benefits expense	605	543

25 Depreciation and amortisation expense

	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation/impairment of property, plant & equipment (refer note 3.1 & 3.5)	114	121
Depreciation of right-of-use assets (refer note 3.2)	147	129
Amortisation of intangible assets (refer note 3.4)	13	14
Total depreciation and amortisation expense	274	264

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

26 Other expenses

	For the year ended March 31, 2025	For the year ended March 31, 2024
Sub-contracting charges	79	83
Power and fuel	19	18
Rent (refer note 3.2)	245	200
Repairs and maintenance	65	66
Rates and taxes	151	146
Travel and conveyance	48	48
Legal and professional	110	95
Auditors' remuneration (refer note below)	6	6
Freight and Sales distribution charges	433	416
Royalty [refer note 36(b)(viii)]	12	11
Remuneration to non-executive directors:		
- Sitting fee	1	0
- Commission	3	2
Allowance for trade receivable, other financial assets and other assets (net)	(9)	41
Expense towards corporate social responsibility (refer note 44)	26	19
Miscellaneous expenses	196	201
Total other expenses	1,385	1,352
Note:		
Auditors' remuneration*		
Statutory audit	2	2
Quarterly reviews	1	1
Certifications	0	0
Other assurance related service	3	3
Total payment to auditors	6	6

* Excluding goods and services tax

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

27 Finance costs

	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expense on lease liabilities	40	21
Interest others	49	55
Total finance costs	89	76

28 Exceptional items, net

	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Gain on sale of a business undertaking	-	31
(b) Supply restructuring cost (refer note 47)	(65)	(48)
Total exceptional items, net	(65)	(17)

29 Reconciliation of tax expense and accounting profit multiplied by India's tax rate

	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before income tax expense	2,056	1,686
Tax at Indian tax rate @ 25.17% (2024: 25.17%)	517	423
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
- Tax deduction for dividend received from subsidiary	(30)	(31)
- Unrecognised short term capital losses utilised against profit on redemption of mutual funds	(2)	(15)
- Expenses disallowed for tax purpose	8	8
- Profit on sale of business undertaking, which was taxed in the previous year	-	(8)
- Provision / (reversal) of income tax relating to prior years	(1)	1
- Reversal of deferred tax asset on removal of indexation benefit on land	11	-
- Others	(5)	(4)
Total	(19)	(49)
Income tax expense as per Standalone Statement of Profit and Loss	498	374

Note:

- a) Deferred income tax assets have not been recognized on long term capital losses amounting to ₹ 390 crores (2024: 467 crores) and short term capital losses amounting to ₹ Nil (2024: ₹ 2 crores) as it is not probable that long term capital gains would be available in the foreseeable future to offset such losses.
- b) Long term capital losses accumulated from prior years, will expire during financial years ending March 31, 2027 to March 31, 2032.

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

30 Earnings per share

	For the year ended March 31, 2025	For the year ended March 31, 2024
Nominal value of equity shares (in ₹)	2/-	2/-
(a) Profits attributed to equity holders of the Company	1,558	1,312
(b) Weighted average number of equity shares used as denominator	72,73,50,853	72,73,50,853
(c) Basic and diluted earnings per share (in ₹)	21.42	18.04

Notes:

- (a) There are no dilutive equity shares in the Company.
- (b) In calculating the weighted average number of outstanding equity shares during the year, Company has not reduced the own shares held by USL Benefit Trust (of which Company is the sole beneficiary), as the investment in the said Trust has been accounted as investments as per the Scheme approved by courts [refer note (i) of note 4.1].

31 Financial risk management

The Company’s activities exposes it to credit risk, liquidity risk and market risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, deposits with banks, mutual funds, trade receivables, loans and other financial assets measured at amortised cost	Ageing analysis and review of receivables and other financial assets	Diversification of bank deposits, review of mutual fund schemes and its underlying exposure, monitoring of credit limits and assessment of recoverability of loans to subsidiaries and other counterparties
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts	Investment in highly marketable and liquid investments and availability of committed credit lines
Market risk – interest rate	Other deposits with banks and debt mutual funds	Sensitivity analysis of interest rates	Monitoring of changes in interest rates
Market risk – foreign exchange risk	Primarily represented by receivables and payables towards export and imports, respectively	Forecast of highly probable foreign currency cash flows	Monitoring of changes in foreign exchange rates
Market risk – price risk	Investment in mutual fund, compulsorily convertible preference shares(CCPS) of joint ventures	Market available information, valuation of future cash flow	Company reviews its investments at regular intervals in order to minimize price risk arising from investments in mutual fund.

The Company’s financial risk management is carried out by treasury department under policies approved by the Board of Directors (“the Board”). Corporate treasury identifies and evaluates financial risks in close co-operation with the Company’s other functions. The Board sets written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk and credit risk.

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

(A) Credit risk

Credit risk management

Trade receivables:

The Company’s credit policy provides guidance to keep the risk of credit sales within an acceptable level. The Company’s management monitors (at customer group and non-group level) and reviews credit limits, overdue trade receivables, provisioning and write-off of credit impaired receivables.

Trade receivables are unsecured and are derived from revenues earned from two main classes of customers, receivables from sales to government corporations/ government owned entities and receivables from sales to private third parties.

Receivables from government corporations/ government owned entities amounted to ₹ 2,311 crores (60%) [2024: ₹ 1,998 crores (61%)] and receivables from private customers amounted to ₹ 1,523 crores (40%) [2024: ₹ 1,302 crores (39%)] respectively, of total trade receivables, on the reporting date.

The Company determines allowances for expected credit losses separately for different categories of customers using aged based provision matrix.

Movement in loss allowances for trade receivables is provided below:

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	172	121
Loss allowance (net)	6	67
Write offs/adjustments	3	(16)
Balance at the end of the year (refer note 11)	181	172

Expected credit loss ageing schedule is given below:

Particulars	As at March 31, 2025		As at March 31, 2024	
	Rate	Amount	Rate	Amount
Not due	0%	1	0%	7
Less than 3 months	0-1%	3	0-2%	13
3 months - 6 months	0-7%	0	0-6%	6
6 months -1 year	0-19%	1	0-30%	7
1-2 years	0-38%	8	0-42%	12
2-3 years	79-100%	18	79-100%	9
More than 3 years	100%	51	100%	27
Sub total (A)		82		81
Specific cases (B)		99		91
Total (A+B)		181		172

Loans and other financial assets:

Other financial assets includes balances with banks, receivable from Tie-up manufacturing units, government grants, security deposits and other receivables. Loans include loans to subsidiaries, employees and others and interest accrued on such loans.

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The Company recognises allowances using expected credit loss method on other financial assets. Such allowances are measured considering either 12-month expected credit loss approach or life time credit loss approach, based on management’s assessment of credit risk. Assets are written-off where there is no reasonable expectation of recovery. Where the loans or receivables are written-off the Company continues to engage in enforcement activity to attempt to recover the amounts due. Where recoveries are made, these are recognised in profit or loss.

Movement in loss allowances for financial assets other than for trade receivables during the reporting period is provided below:

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	1,375	1,395
Loss allowance recognised:		
Included in the standalone Statement of Profit and Loss	(8)	(28)
Restatement of loss allowance recognised in earlier years in respect of credit impaired loans to overseas subsidiaries in foreign currency (*)	3	1
Write offs/adjustments	(11)	7
Balance at the year end (refer notes 5 and 6)	1,359	1,375

(*) Loans denominated in foreign currency to subsidiaries are credit impaired. Exchange differences arising on restatement of such loans at year-end exchange rates, are offset against an equivalent restatement of loss allowances at year end exchange rates, and hence there is no impact on the Standalone Statement of Profit and Loss, on this account.

The Company has credit risk from loans provided to subsidiaries and joint ventures:

- Loans to overseas subsidiaries- These loans are classified as credit impaired and have been fully provided for as these subsidiaries are non-operative and do not have the resources to repay the loans.
- Loans to domestic subsidiary- There are no loans receivable from the domestic subsidiary as at March 31, 2025

Management has assessed credit risk for balances with banks, investments in mutual funds and other financial assets as at year ended March 31, 2025. Basis this assessment management has determined that no provision for expected credit loss is required, other than those already provided in these standalone financial statements.

(B) Liquidity risk

The company monitors daily and monthly rolling forecasts of the liquidity position and cash and cash equivalents on the basis of expected cash flows. Generally, any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in bank deposits, treasury bills and debt mutual funds to optimise the cash returns on investments guided by the tenets of safety, liquidity and returns.

Financing arrangements

The Company has access to the following undrawn unsecured borrowing facilities as at end of the reporting period:

Particulars	As at March 31, 2025	As at March 31, 2024
Floating rate		
Cash credit/ working capital loans	918	1,045

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The above facilities may be drawn at any time and such borrowings are repayable on demand.

Maturities of financial liabilities

The maturity profile of the Company’s financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Company.

March 31, 2025

Particulars	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Lease liabilities	46	46	91	119	161	156	619
Trade payables	2,152	-	-	-	-	-	2,152
Other financial liabilities	484	-	-	-	-	-	484
Total liabilities	2,682	46	91	119	161	156	3,255

March 31, 2024

Particulars	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Lease liabilities	36	29	52	96	36	29	278
Trade payables	1,827	-	-	-	-	-	1,827
Other financial liabilities	204	-	-	-	-	-	204
Borrowings	0	-	-	-	-	-	0
Total liabilities	2,067	29	52	96	36	29	2,309

(C) Interest rate risk

Interest rate risk arises due to uncertainties about the future market interest rate on investments.

Treasury activities, focuses on managing investments in debt instruments, are centralised and administered under a set of approved policies and procedures guided by the tenets of safety, liquidity and returns. This ensures that investments are made within acceptable risk parameters after due evaluation. The Company’s investments are predominantly held in term deposits and mutual funds.

The Company invests in debt mutual fund schemes of leading fund houses, such investments are susceptible to market price risks that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the mutual fund schemes in which the Company has invested, such price risk is not significant.

In addition to debt mutual funds, the Company invests in term deposits with banks. The term deposits carry a fixed-coupon rate and majority of the term deposits are for a term not exceeding 12-months from the Balance Sheet date. Accordingly, interest rate risk is not significant.

(D) Foreign exchange risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions and balances, primarily with respect to the USD and GBP. Foreign exchange risk arises from future commercial transactions and monetary assets and liabilities denominated in a currency that is not the Company’s functional currency (₹). The risk is measured through a forecast of highly probable foreign currency cash flows.

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(All amounts in ₹ crores unless otherwise stated)

Foreign currency risk management

The Company’s risk management policy is to assess the Company’s net exposures which is mainly represented by receivables and payables towards exports and imports respectively and represented by receivables and payables extended in foreign currencies.

The Company can hedge its net exposures with a view on forex outlook. Since the net exposure is currently not material, foreign currency risk has not been hedged.

Foreign currency risk exposure

The Company’s exposure to foreign currency risk at the end of the reporting period expressed in ₹ crores is as follows:

	As at March 31, 2025						
	USD	GBP	EURO	SGD	MXN	AUD	Total
Financial assets							
Cash and cash equivalents	0	0	0	-	-	-	0
Other financial assets	-	1	1	-	-	-	2
Trade receivables	27	-	-	-	-	-	27
Exposure to foreign currency risk (assets)	27	1	1	-	-	-	29
Financial liabilities							
Trade payables	8	8	-	2	0	0	18
Other financial liabilities	-	-	-	-	-	-	-
Exposure to foreign currency risk (liabilities)	8	8	-	2	0	0	18
Net exposure assets/(liabilities)	19	(7)	1	(2)	(0)	(0)	11

	As at March 31, 2024				
	USD	GBP	EURO	SGD	Total
Financial assets					
Cash and cash equivalents	0	0	0	0	0
Other financial assets	0	0	0	-	0
Trade receivables	24	-	-	-	24
Exposure to foreign currency risk (assets)	24	0	0	0	24
Financial liabilities					
Trade payables	5	8	0	1	14
Other financial liabilities	-	-	-	-	-
Exposure to foreign currency risk (liabilities)	5	8	0	1	14
Net exposure assets/(liabilities)	19	(8)	(0)	(1)	10

Notes:

- a) A reasonable possible fluctuation in foreign exchange rates are not expected to have a material effect on the profit/ loss.
- b) Loans given to overseas subsidiaries, denominated in foreign currency are fully provided for and hence they do not carry any residual foreign currency risk.

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

(E) Price risk

Mutual funds: Company reviews its investments at regular intervals in order to minimize price risk arising from investments in Mutual funds. In accordance with the investment policy the Company invests in the liquid, overnight and money market mutual fund schemes which are not subject to significant changes in price.

32 Capital management

a. Risk management

The Company’s objectives when managing capital is to:

- a) have a balanced financial profile from short term (1 year) to mid-term (3 years) for sustainable leverage, providing:
- Headroom for future growth / expansion
 - Financial flexibility in case of adverse business cycles
- b) ensure the capital structure is at competitive advantage when compared to peers and other sector players through:
- Diversification of funding sources to manage liquidity and rollover risk
 - Financial flexibility in case of adverse business cycles

Net debt to equity ratio:

Particulars	As at March 31, 2025	As at March 31, 2024
Total debt including lease liabilities (a)	480	240
Cash and cash equivalents (b)	1,150	1,021
Net debt / (cash) (c) = (a) - (b)	(670)	(781)
Total equity (d)	7,879	6,963
Net debt to equity ratio (c) / (d)	NA	NA

The Company has no external borrowings and debt represents lease liabilities.

b. Dividends

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(i) Equity shares		
Interim dividend of ₹ 4 (2024 : ₹ 4) per fully paid share	291	291
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, subsequent to the year end the directors have recommended the payment of a final dividend of ₹ 8 (2024 : ₹ 5) per fully paid equity share. This proposed dividend for current year is subject to the approval of shareholders in the ensuing annual general meeting.	582	364

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

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33 Assets pledged as security

- (a) In respect of secured loans from banks ('lenders') obtained and repaid during earlier years, the Company has in most cases obtained no objection letters from lenders for the release of the hypothecation/ mortgage and have filed the necessary forms with Ministry of Corporate Affairs ("MCA") to reflect the release of such charge in MCA's records. In a few remaining cases, the Company is in the process of securing no objection letters from the lenders. As there are no secured loans outstanding as at March 31, 2025, no assets have been shown as hypothecated/ mortgaged as at March 31, 2025.
- (b) Further the following assets have been pledged with a bank with whom the Company is involved in a litigation [refer note 40(d)]

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
First charge			
Freehold land	3.1 & 3.5	118	118
Buildings	3.1 & 3.5	14	14
Leasehold land	3.1 & 3.5	4	4
Plant and equipment	3.1	0	0
Investments as a sole beneficiary in USL Benefit Trust	4.1	120	120
Total assets pledged as security		256	256

34 Share based payments

Diageo Plc. share based plans

Diageo Plc. (Ultimate holding company) runs various equity settled share based plans such as Discretionary Incentive Plan (DIP), Performance Share Plan (PSP), and Senior Executive Share Option Plan (SESOP) for qualifying employees of the Company. Vesting under these plans is subject to conditions such as continuity of employment and achievement of certain other performance factors.

The charge for the year in respect of such plans included in employee benefits expense amounted to ₹ 5 crores (2024: ₹ 4 crores).

Share appreciation rights (SAR)

The India SAR Plan creates an opportunity to link the employees' reward to Company's share price performance. Under this plan, Company grants stock appreciation rights (based on USL share price on the date of grant) to qualifying employees. Cash pay-out equivalent to the value of the Company's share will be made at the end of three years from the date of grant (the vesting period).

Notes forming part of the standalone financial statements

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(All amounts in ₹ crores unless otherwise stated)

Details of the SAR plans outstanding as at March 31, 2025 are as follows:

Grant Year	No. of units outstanding as at March 31, 2025	Average Vesting Period	Range of the expected settlement price (₹ per unit)
FY 22-23	1,11,501	3 years	1,619 to 1,731
FY 23-24	1,34,188		1,731 to 1,750
FY 24-25	1,45,985		1,695 to 1,809

The fair value of the SARs is determined using the Black-Scholes model using the following inputs at the grant dates and as at each reporting date:

Particulars	As at March 31, 2025	As at March 31, 2024
Expected volatility (%)	25.39%	26.74%
Risk-free interest rate (%)	6.55%	7.16%

As at March 31, 2025 outstanding SARs are 3,91,674 (2024: 5,98,721). Refer below for movement in provision for SAR:

Particulars	Notes	Amount
Provision as at April 1, 2023		27
Charge for the year	24	33
Payout during the year		(16)
Provision as at March 31, 2024	17	44
Charge for the year	24	12
Payout during the year		(30)
Provision as at March 31, 2025	17	26

Provision as at the year-end classified as:

Particulars	As at March 31, 2025	As at March 31, 2024
Current	10	29
Non-current	16	15
Total	26	44

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

35 Financial instruments:

Financial instrument by category:

Particulars	As at March 31, 2025			Total
	Amortized cost	Fair value through profit and loss	Fair value through other comprehensive income	
Financial assets:				
Liquid mutual fund units (refer note 4.2)	-	773	-	773
Treasury bills (refer note 4.2)	100	-	-	100
Loans (refer note 5)	22	-	-	22
Other financial assets (refer note 6)	643	-	-	643
Trade receivables (refer note 11)	3,628	-	-	3,628
Cash and cash equivalents (refer note 12.1)	563	587	-	1,150
Bank balance other than cash and cash equivalents (refer note 12.2)	623	-	-	623
Total	5,579	1,360	-	6,939
Financial liabilities:				
Other financial liabilities (refer note 16)	484	-	-	484
Trade payables (refer note 18)	2,152	-	-	2,152
Total	2,636	-	-	2,636

Particulars	As at March 31, 2024			Total
	Amortized cost	Fair value through profit and loss	Fair value through other comprehensive income	
Financial assets:				
Liquid mutual fund units (refer note 4.2)	-	499	-	499
Treasury bills (refer note 4.2)	100	-	-	100
Loans (refer note 5)	10	-	-	10
Other financial assets (refer note 6)	152	-	-	152
Trade receivables (refer note 11)	3,128	-	-	3,128
Cash and cash equivalents (refer note 12.1)	474	547	-	1,021
Bank balance other than cash and cash equivalents (refer note 12.2)	188	-	-	188
Total	4,052	1,046	-	5,098
Financial liabilities:				
Borrowings (refer note 15)	0	-	-	0
Other financial liabilities (refer note 16)	204	-	-	204
Trade payables (refer note 18)	1,827	-	-	1,827
Total	2,031	-	-	2,031

Notes forming part of the standalone financial statements

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(All amounts in ₹ crores unless otherwise stated)

Fair value hierarchy:

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows below:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Fair value of investment in mutual funds are classified as Level 1.

Management has determined their carrying amounts of current financial assets and financial liabilities i.e., trade receivables, current loans, bank deposits, cash and cash equivalents, receivables from TMUs, trade payables and other financial liabilities (excluding lease liabilities) to be a fair approximation of their fair values on account of their short term nature.

Management has determined that the fair values of other non current financial assets i.e., government grants, receivable from TMUs, security deposits and other receivables are not materially different from their carrying amounts March 31, 2025.

36 Related party disclosures

(a) Names of related parties and description of relationship

(i) Ultimate holding, holding and intermediate holding entities

- Diageo plc United Kingdom (Ultimate Holding company)
- Tanqueray Gordon & Company Ltd., United Kingdom (Holding Company of Diageo Relay B.V.)
- Diageo Relay B.V., Netherlands (Holding Company)

(ii) Subsidiaries

Sl. No.	Name of the subsidiary	% of ownership interest	Country of incorporation
a.	Indian subsidiary		
(i)	Royal Challengers Sports Private Limited	100	India
b.	Overseas subsidiaries		
(i)	Asian Opportunities and Investments Limited	100	Mauritius
(ii)	McDowell & Co. (Scotland) Limited	100	Scotland, U.K.
(iii)	Palmer Investment Group Limited	100	British Virgin Islands
(iv)	Shaw Wallace Overseas Limited	100	U.K.
(v)	United Spirits (Great Britain) Limited	100	U.K.
(vi)	United Spirits (UK) Limited	100	U.K.
(vii)	USL Holdings (UK) Limited	100	U.K.
(viii)	USL Holdings Limited	100	British Virgin Islands

Notes forming part of the standalone financial statements

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(All amounts in ₹ crores unless otherwise stated)

(iii) Other entity where there is control

USL Benefit Trust, India

(iv) Joint ventures

Sl. No.	Name of the joint venture	% of ownership interest (*)	Country of Incorporation
(i)	Nao Spirits & Beverages Private Limited	30	India
(ii)	Inspired Hospitality Private Limited (w.e.f. April 04, 2024)	15	India
(iii)	V9 Beverages Private Limited (w.e.f. September 26, 2024)	15	India
(iv)	Indie Brews and Spirits Private Limited (w.e.f. September 27, 2024)	25	India

(*) % of ownership is on a fully diluted basis

(v) Fellow subsidiaries (with whom transactions have taken place during the year or in the previous year)

- Diageo Scotland Limited
- Diageo Brands B.V.
- Diageo Great Britain Limited
- Diageo North America Inc.
- Diageo Guinness Nigeria Plc (till September 30, 2024)
- Diageo America Supply Inc.
- Diageo Business Services India Private Limited
- Diageo Korea Co. Ltd
- Diageo Mexico Comercializadora S.A. de C.V.
- UDV Kenya Ltd

(vi) Employees’ benefit plans:

- McDowell & Company Limited Staff Gratuity Fund
- McDowell & Company Limited Officers’ Gratuity Fund
- McDowell & Company Limited Employees Provident Fund (*)
- United Spirits Superannuation Fund
- UB Group Employee Benefit Trust
- Pioneer Distilleries Employees Gratuity Trust

* The Company was operating a defined benefit provident fund plan through its own Trust for all permanent employees. During the previous year, the Company has transferred its provident fund obligation from the Trust to Employee Provident Fund Organization (EPFO) after necessary approval from EPFO. The Company is in the process of liquidating the Trust. [refer note 38(b)]

Notes forming part of the standalone financial statements

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(vii) Key management personnel

a. Whole-time directors

- Hina Nagarajan (Managing Director and Chief Executive Officer) (till March 31, 2025)
- Praveen Someshwar (Managing Director and Chief Executive Officer) (w.e.f. April 1, 2025) (#)
- Pradeep Jain (Chief Financial officer and Executive Director)

(#) Appointed on March 1, 2025 as “Chief Executive officer - Designate”

b. Non-executive/ Independent directors

- Mahendra Kumar Sharma – Chairman (till March 31, 2025)
- V K Viswanathan - Chairman (w.e.f. April 1, 2025)
- Mark Sandys
- Mukesh Butani (w.e.f. March 1, 2024)
- Indu Bhushan (w.e.f. March 1, 2024)
- Amrita Gangothra (w.e.f. September 1, 2024)
- Preeti Arora (w.e.f. October 1, 2024)
- D Sivanandhan (till July 31, 2024)
- Rajeev Gupta (till July 31, 2024)
- Dr. Indu Shahani (till September 29, 2024)
- John Thomas Kennedy (till June 30, 2023)
- Emily Kathryn Gibson (w.e.f. September 7, 2023 till October 31, 2024)
- Mamta Sundara (w.e.f. February 1, 2023 till September 30, 2024)

36 (b) Summary of the transactions with related parties

Name of the related party		Relationship	For the year ended March 31, 2025	For the year ended March 31, 2024
(i)	Investment in joint ventures	Joint venture		
	Nao Spirits & Beverages Private Limited			
	- Compulsory convertible preference shares carried at cost		-	15
	Inspired Hospitality Private Limited	Joint venture		
	- Equity shares carried at cost		0	-
	- Compulsory convertible preference shares carried at cost		6	-
	V9 Beverages Private Limited	Joint venture		
	- Equity shares carried at cost		0	-
	- Compulsory convertible preference shares carried at cost		2	-
	Indie Brews and Spirits Private Limited	Joint venture		
	- Equity shares carried at cost		0	-
	- Compulsory convertible preference shares carried at cost		5	-
	Total- Investment in joint ventures		13	15

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(All amounts in ₹ crores unless otherwise stated)

Name of the related party	Relationship	For the year ended March 31, 2025	For the year ended March 31, 2024
(ii) Sale of products (including excise duty) to			
UDV Kenya Limited	Fellow subsidiary	-	1
Total- Sale of products		-	1
(iii) Royalty and brand franchise income			
UDV Kenya Ltd	Fellow subsidiary	0	0
Total- Royalty and brand franchise income		0	0
(iv) Interest income			
Royal Challengers Sports Private Limited	Subsidiary	-	0
Nao Spirits & Beverages Private Limited	Joint venture	1	-
Total - Interest income (refer note 21)		1	0
(v) Reimbursement of expenses from			
Diageo Plc	Parent	2	5
Royal Challengers Sports Private Limited	Subsidiary	5	4
Diageo Great Britain Limited	Fellow subsidiary	3	1
Diageo Brands B.V.	Fellow subsidiary	-	1
Diageo Scotland Limited	Fellow subsidiary	1	2
Diageo Mexico Comercializadora S.A. de C.V.	Fellow subsidiary	3	1
Diageo America Supply Inc.	Fellow subsidiary	-	0
Diageo Korea Co. Ltd	Fellow subsidiary	5	-
Nao spirits & beverages private limited	Joint venture	0	-
Total - Reimbursement of expenses received		19	14
(vi) Purchase of stock-in-trade from			
Diageo Brands B.V.	Fellow subsidiary	547	422
Total- Purchase of stock-in-trade		547	422
(vii) Purchase of raw materials from			
Diageo Brands B.V.	Fellow subsidiary	470	421
Total- Purchase of raw materials		470	421
(viii) Royalty expense			
Diageo North America Inc.	Fellow subsidiary	11	9
Total- Royalty expense (refer note 26)		11	9
(ix) Professional charges			
Diageo Business Services India Private Limited	Fellow subsidiary	15	17
Total- Professional charges		15	17
(x) Cross charge towards share based payments			
Diageo Great Britain Limited	Fellow subsidiary	5	4
Total- Cross charge		5	4

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(All amounts in ₹ crores unless otherwise stated)

Name of the related party	Relationship	For the year ended March 31, 2025	For the year ended March 31, 2024
(xi) Other services received			
Advertisement and sales promotion expenses			
Royal Challengers Sports Private Limited	Subsidiary	8	7
Information technology expenses			
Diageo Great Britain Limited	Fellow subsidiary	41	28
Diageo Business Services India Private Limited	Fellow subsidiary	2	1
Total- Other services received		51	36
(xii) Reimbursement of expenses paid to			
Diageo Great Britain Limited	Fellow subsidiary	9	3
Diageo Scotland Limited	Fellow subsidiary	-	1
Diageo Business Services India Private Limited	Fellow subsidiary	0	-
Diageo North America Inc	Fellow subsidiary	1	1
Royal Challengers Sports Private Limited	Subsidiary	-	2
Diageo Mexico Comercializadora S.A. de C.V.	Fellow subsidiary	0	-
Total- Reimbursement of expenses paid		10	7
(xiii) Dividend paid to			
Diageo Relay B.V.	Holding Company	203	163
USL Benefit Trust	Benefit Trust	9	7
Total- Dividend paid		212	170
(xiv) Dividend received from			
Royal Challengers Sports Private Limited	Subsidiary	120	125
Total- Dividend received		120	125
(xv) Surplus received from			
USL Benefit Trust	Benefit Trust	18	-
Total- Surplus received		18	-
(xvi) Loan given to			
Royal Challengers Sports Private Limited	Subsidiary	-	29
Nao Spirits & Beverages Private Limited	Joint venture	18	-
Total- Loans given		18	29
(xvii) Loans repaid by			
Royal Challengers Sports Private Limited	Subsidiary	-	121
Total- Loans repaid		-	121
(xviii) Contribution to/(surplus from) employee benefit plans			
McDowell & Company Limited Employees Provident Fund	Employee benefits plan	(2)	16
United Spirits Superannuation Fund	Employee benefits plan	-	2
Total- Contribution to employee benefit plans		(2)	18

Note: The amounts disclosed above are excluding Goods and Services tax, wherever applicable.

Notes forming part of the standalone financial statements

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(All amounts in ₹ crores unless otherwise stated)

36(c) Summary of closing balances with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Name of the related party	Relationship	As at March 31, 2025	As at March 31, 2024
(i) Financial assets receivable			
Royal Challengers Sports Private Limited	Subsidiary	3	2
Diageo Scotland Limited	Fellow subsidiary	-	0
Diageo Mexico Comercializadora S.A. de C.V.	Fellow subsidiary	0	-
Diageo Plc	Parent	0	-
Diageo Korea Co. Ltd	Fellow subsidiary	1	-
Diageo Great Britain Limited	Fellow subsidiary	1	1
Total- Financial assets receivable (refer note 6)		5	4
(ii) Trade receivables from			
UDV Kenya Ltd	Fellow subsidiary	0	0
Guinness Nigeria Plc.	Fellow subsidiary	-	2
Total- Trade receivables (refer note 11)		0	2
(iii) Trade payables to			
Diageo Brands B.V.	Fellow subsidiary	325	208
Royal Challengers Sports Private Limited	Subsidiary	4	3
Diageo Great Britain Limited	Fellow subsidiary	16	9
Diageo North America Inc.	Fellow subsidiary	6	5
Diageo Scotland Limited	Fellow subsidiary	0	1
Diageo Business Services India Private Limited	Fellow subsidiary	6	5
Diageo Mexico Comercializadora S.A. de C.V.	Fellow subsidiary	0	-
Total- Trade payables (refer note 18)		357	231
(iv) Loans (including interest) outstanding from			
Asian Opportunities & Investments Limited	Subsidiary	61	59
USL Holdings (UK) Limited	Subsidiary	15	15
Nao Spirits & Beverages Private Limited	Joint venture	18	-
Total - Loans outstanding (refer note 5)		94	74
(v) Allowance on loans at year end			
Principal			
Asian Opportunities & Investments Limited	Subsidiary	61	59
USL Holdings (UK) Limited	Subsidiary	15	15
Total allowance on loans (refer note 5)		76	74
(vi) Dividend payable to			
Diageo Relay B.V.	Holding Company	163	-
USL Benefit Trust	Benefit Trust	7	-
Total - Dividend payable		170	-
(vii) Minimum offtake commitment for purchase of bulk scotch			
Diageo Scotland Limited	Fellow subsidiary	1,080	123

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

36(d) Key management personnel and compensation

Executive directors	For the year ended March 31, 2025		For the year ended March 31, 2024	
	Hina Nagarajan	Pradeep Jain	Hina Nagarajan	Pradeep Jain
Remuneration (*)	27	5	10	4
Employee share-based payments (**)	3	0	4	0
Total compensation	30	5	14	4

(*) The employee benefits obligations such as gratuity, compensated absences and bonuses are provided for the Company as a whole, the amounts pertaining to individual Key Management Personnel are included on payment basis and not on an accrual basis.

(**) Based on options exercised.

Non-executive/ Independent directors	For the year ended March 31, 2025		For the year ended March 31, 2024	
	Sitting Fee	Commission	Sitting Fee	Commission
Mr. Mahendra Kumar Sharma	0	1	0	1
Mr. V K Viswanathan (*)	0	0	0	0
Dr. Indu Shahani (*)	0	0	0	0
Mr. D Sivanandhan (*)	0	0	0	0
Mr. Rajeev Gupta (*)	0	0	0	0
Dr. Indu Bhushan (*)	0	0	-	0
Mr. Mukesh Butani (*)	0	0	-	0
Ms. Amrita Gangotra (*)	0	0	-	0
Total	1	3	0	2

(*) Individually sitting fees and commission paid to the directors is lesser than ₹ 50 lakhs. Sitting fees and commission paid to the directors above has been aggregated and disclosed against the total in the table above.

36(e) General terms and conditions for transactions with related parties

Transactions with related parties are carried out in the normal course of business and are on normal commercial terms.

All loans to subsidiaries are unsecured and loan to a joint venture is secured. For tenure of the loans and interest rate, refer note 45(b).

Notes forming part of the standalone financial statements

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37 Offsetting of financial assets and financial liabilities

The Company provides volume-based incentives and rebates to certain customers. Amounts payable by Company are offset against receivables from such customers and only the net amounts are settled. The relevant amounts have therefore been presented net in the balance sheet. Details of such offset is given in the below table.

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivable - current	3,500	2,995
Trade receivable - non current	340	365
Trade receivables (gross)	3,840	3,360
Less: Volume based incentives and rebates payable	(31)	(60)
Trade receivables as reported (refer note 11)	3,809	3,300

38 (a) Defined contribution plans

Provident Fund:

Provident Fund covers all eligible employees of the Company. Both the employees and the Company make monthly contributions to the Provident Fund as per regulations to a fund administered by government authority, equal to a specified percentage of the employees’ salary. The obligation of the Company is limited to the extent of contributions made on a monthly basis.

Employee Pension Scheme:

Employee Pension Scheme covers all eligible employees of the Company. A portion of the Company’s contribution in respect of government administered Provident Fund and Company administered Provident Fund Plan is made to the government administered Employee Pension Scheme, as per regulations. The obligation of the Company is limited to the extent of contributions made on a monthly basis.

Employees’ State Insurance:

Employees’ State Insurance is a state plan which is applicable to those employees of the Company whose salaries do not exceed a specified amount. The contributions are made based on a percentage of salary to a fund administered by government authority. The obligation of the Company is limited to the extent of contributions made on a monthly basis.

Superannuation Fund:

Certain executive staff of the Company participate in United Spirits Superannuation fund (the ‘Fund’), which is a voluntary contribution plan. The Company has no further obligations to the plan beyond its monthly contributions to the Fund, the corpus of which is administered by a Trust and is invested in insurance products.

National Pension Scheme:

Certain executive staff of the Company participate in National Pension Scheme, which is a voluntary contribution plan. The Company has no further obligations to the plan beyond its monthly contributions to a fund administered by a pension fund manager appointed by Pension Fund Regulatory and Development Authority.

Notes forming part of the standalone financial statements

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(All amounts in ₹ crores unless otherwise stated)

During the year, the Company has recognised the following amounts in the Standalone Statement of Profit and Loss, which are included in contribution to provident and other funds under the employee benefits expense in Note 24:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024*
Provident fund	18	17
Employees’ pension scheme	2	4
Employees’ state insurance	0	0
Superannuation fund	1	1
National pension scheme	0	1
Total (refer note 24)	21	23

(*) Excludes contributions to Provident Fund Trust which are in the nature of defined benefit plans managed by the Company.

38(b) Defined benefit plans

Gratuity:

The Company provides for gratuity, a defined benefit plan (the “Gratuity Plan”), to its employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment or upon resignation from service, of an amount based on the respective employee’s last drawn salary and years of employment with the Company. Vesting occurs only upon completion of five years of service, except in case of death or permanent disability. The funds are managed by a trust administered by the Company.

Pension plan:

The Company operates an unfunded defined benefit pension plan for certain retired employees of an erstwhile entity which has merged into the Company in earlier years. This plan provides benefits to members in the form of a guaranteed level of pension payable for life post retirement or termination of employment. The level of benefits provided depends on their salary in the final year leading up to retirement, or termination.

Provident fund plan:

The executive staff and certain permanent workmen received benefits from the provident fund plan, which was operating as a defined benefit plan until part of the prior year. Both the employees and the Company made monthly contributions to such provident fund plan equal to a specified percentage of the employee’s salary. A portion of Company’s contribution is transferred to Employee Pension Scheme, which is a defined contribution plan and the remaining amount is transferred to provident fund plan. The defined plan was discontinued during the year ended March 31, 2024 and the balance contribution was transferred to Employees Provident Fund Organisation(EPFO).

The defined benefit provident fund contributions were made to McDowell & Company Limited Employees Provident Fund Trust which was set up and managed by the Company. The Trust invested in specific designated instruments as permitted by Indian laws. The Company had an obligation to make good the shortfall if any, being the difference between the statutory rate prescribed by the Government and the rate of interest declared by the Trust. The Company also had an obligation to fund any shortfall in the fair value of plan assets as compared with the defined benefit obligation. The actuarial risk and investment risk fall, in substance, on the Company. During the prior year, the Company had transferred its’ obligation for provident fund from the trust to Employees Provident Fund Organisation (EPFO). Accordingly, the provident fund plan had subsequently been accounted as a defined contribution plan.

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

Gratuity, provident fund and pension

A. Reconciliation of opening and closing balances of the present value of the defined benefit obligation (DBO):

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024		
	Gratuity	Pension	Gratuity	Provident fund	Pension
	(Funded)	(Unfunded)	(Funded)	(Funded)	(Unfunded)
Obligation at the beginning of the year	107	0	106	311	1
Current service cost	9	-	10	3	-
Interest cost	7	-	7	8	-
Benefit payments from plan assets	(19)	-	(12)	(35)	-
Transfer in/out	-	-	-	7	-
Employee contributions	-	-	-	5	-
Benefit payments from the Company	-	(0)	-	-	(1)
Actuarial (gain)/ loss from changes in demographic assumptions	-	-	(4)	-	-
Actuarial (gain)/ loss from changes in financial assumptions	2	-	1	-	-
Actuarial (gain)/ loss from experience adjustments	3	-	(1)	(0)	-
Transferred to EPFO	-	-	-	(299)	-
Obligation at the end of the year	109	-	107	-	0

B. Reconciliation of opening and closing balances of the fair value of plan assets:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024	
	Gratuity	Gratuity	Provident fund
	(Funded)	(Funded)	(Funded)
Plan assets at the beginning of the year	137	140	305
Employee contributions	-	-	5
Transfer in/ (out)	-	-	7
Contribution by the Company	-	-	3
Return on plan assets	10	10	8
Actuarial gains/ (losses)	2	(0)	(11)
Benefits paid	(19)	(13)	(35)
Transferred to EPFO	-	-	(282)
Plan assets at the end of the year	130	137	-

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(All amounts in ₹ crores unless otherwise stated)

C. Reconciliation of present value of defined benefit obligation and the fair value of plan assets to the assets and liabilities recognised in the standalone Balance sheet at the end of the year:

Particulars	As at March 31, 2025		As at March 31, 2024	
	Gratuity	Pension	Gratuity	Pension
	(Funded)	(Unfunded)	(Funded)	(Unfunded)
Present value of obligation	109	-	107	0
Fair value of plan assets	130	-	137	-
Liability/ (asset) recognised in Balance Sheet (Refer notes 9 and 17)	(21)	-	(30)	0
Current	-	-	-	0
Non-current	(21)	-	(30)	-

D. Expenses recognised in the Standalone Statement of Profit and Loss:

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024		
	Gratuity	Total	Gratuity	Provident fund	Total
	(Funded)		(Funded)	(Funded)	
Current service cost	9	9	10	3	13
Net interest cost					
a. Interest expense on DBO	7	7	7	8	15
b. Interest (income) on plan assets	(10)	(10)	(10)	(8)	(18)
Total net interest cost (a+b)	(3)	(3)	(3)	-	(3)
Defined benefit cost (refer note 24)	6	6	7	3	10

E. Re-measurement effects recognised in other comprehensive income (OCI):

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024		
	Gratuity	Total	Gratuity	Provident fund	Total
	(Funded)		(Funded)	(Funded) (*)	
a. Actuarial (gain)/ loss due to demographic assumptions changes in DBO	-	-	(4)	-	(4)
b. Actuarial (gain)/ loss due to financial assumptions changes in DBO	2	2	1	-	1
c. Actuarial (gain)/ loss due to experience on DBO	3	3	(1)	(0)	(1)
d. Return on plan assets (greater)/ less than discount rate	(2)	(2)	0	7	7
e. Movement in asset ceiling (gain)/ loss	-	-	-	-	-
Total actuarial (gain)/ loss included in OCI	3	3	(4)	7	3

* The actuarial loss has been recorded after netting off the provision.

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(All amounts in ₹ crores unless otherwise stated)

F. Total cost recognised in total comprehensive income:

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024		
	Gratuity	Total	Gratuity	Provident fund	Total
	(Funded)		(Funded)	(Funded)	
Expense recognised in the Standalone Statement of Profit and Loss (refer note 24)	6	6	7	3	10
Remeasurements effects recognised in OCI	3	3	(4)	7	3
Total cost recognised in total comprehensive income	9	9	3	10	13

G. Investment details of plan assets:

Particulars	As at March 31, 2025	As at March 31, 2024
	Gratuity	Gratuity
Pooled assets with an insurance company	100%	100%
Others (including bank balances)	0%	0%
	100%	100%

H. Significant assumptions:

Particulars	As at March 31, 2025	As at March 31, 2024
	Gratuity	Gratuity
	(Funded)	(Funded)
Discount rate (per annum)	6.75%	7.21%
Rate of increase in compensation levels	10%	10%
Other assumptions:		
Attrition rate	10% - 15%	10% - 15%
Mortality rates	IALM* (2012-14) Ultimate table	IALM* (2012-14) Ultimate table

*IALM : Indian Assured Mortality Rate

Notes forming part of the standalone financial statements

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38(c) Sensitivity analysis:

The sensitivity of the defined benefit obligation to changes in the weighted principal significant assumptions is provided below:

Gratuity:

Particulars	Changes in assumptions		(Decrease)/ Increase in defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Discount rate	1%	1%	(5)	(4)	5	5
Compensation levels	1%	1%	5	4	(5)	(4)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the defined benefit liability recognised in the Standalone Balance Sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

38(d) Risk exposure:

Through its defined benefit plans, Company is exposed to number of risks, the most significant of which are detailed below:

Asset volatility	The plan liabilities are calculated using a discount rate set with reference to yields of government securities; if plan assets underperform this yield, this will create a deficit. Plan asset investments for gratuity are made in pre-defined insurance plans. These are subject to risk of default and interest rate risk. The fund manages credit risk/ interest rate risk through continuous monitoring to minimise risk to an acceptable level.
Inflation risk	In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk.
Life expectancy	The pension plan provides benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

A large portion of assets consists of government and public sector bonds, although the Company also invests in private sector bonds, special deposit schemes and bank balances. The plan asset mix is in compliance with the requirements of the respective regulations.

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38(e) Effect of the defined benefit plan on the entity’s future cash flows

The Company does not expect to contribute any amounts into the gratuity plan assets during the year ending March 31, 2026, considering the net surplus portion as at March 31, 2025.

The weighted average duration of the defined benefit obligation is 5 years (2024: 4.62 years). The expected maturity analysis of undiscounted gratuity is as follows:

March 31, 2025	Less than a year	Between 1-2 years	Between 2- 5 years	Over 5 years	Total
Gratuity	19	24	35	82	160
Total	19	24	35	82	160

March 31, 2024	Less than a year	Between 1-2 years	Between 2- 5 years	Over 5 years	Total
Gratuity	27	21	32	78	158
Total	27	21	32	78	158

Note:

The estimates of future increase in compensation levels, considered in the actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

39 Long term contracts, including derivative contracts

The Company does not have any derivative contracts as at March 31, 2025. The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. No provision for material foreseeable losses is considered necessary based on the review of such contracts as at year end.

40 Historical matters

40(a) Additional Inquiry and other regulatory matters

As disclosed in each of the annual financial statements commencing from year ended March 31, 2014, upon completion in April 2015 of an inquiry into past improper transactions ('Initial Inquiry') which identified references to certain additional parties and certain additional matters, the then MD & CEO, pursuant to the direction of the Board of Directors, carried out an additional inquiry into past improper transactions ('Additional Inquiry') which was completed in July 2016. The Additional Inquiry prima facie identified transactions indicating actual and potential diversion of funds from the Company and its Indian and overseas subsidiaries to, in most cases, Indian and overseas entities that appeared to be affiliated or associated with the Company’s former non-executive chairman, Dr. Vijay Mallya, and other potentially improper transactions. All amounts identified in the Additional Inquiry have been provided for or expensed in the financial statements of the Company or its subsidiaries in the respective prior periods. The Company has filed recovery suits against relevant parties and individuals identified pursuant to the Additional Inquiry. Additionally, the Company has also filed a suit for recovery of excess managerial remuneration amounting to ₹ 13 crores paid to the former Executive Director and CFO (ED & CFO) for the year ended March 31, 2015. The receivable recorded for excess managerial remuneration has been fully provided for.

As disclosed in each of the annual financial statements commencing from the year ended March 31, 2014, in relation to the above-mentioned Initial Inquiry and Additional Inquiry and the matters arising out of the settlement agreement dated February 25, 2016 entered into by the Company with Dr. Vijay Mallya pursuant to which, inter alia, the Company and Dr. Vijay Mallya agreed a mutual release in relation to matters arising out of the Initial Inquiry ('Agreement'), the Company received letters and notices from the Securities Exchange Board of India ('SEBI') during the year ended March 31, 2016 to which the Company has responded. There has been no further communication with SEBI on these matters since the Company’s response in October 2017.

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As disclosed in each of the annual financial statements commencing from the year ended March 31, 2016, in connection with the investigations carried out by the Directorate of Enforcement ('ED') under the Foreign Exchange Management Act, 1999 and Prevention of Money Laundering Act, 2002, the Company received letters and notices from ED during the year ended March 31, 2016, to which the Company responded. During the year ended March 31, 2022, the Company received a notice from the ED requesting for information, which the Company has provided. The Company has also received queries from its authorized dealer banks, based on queries from the Reserve Bank of India ('RBI'), with regard to remittances made in the prior years by the Company to its overseas subsidiaries, past acquisitions and Annual Performance Reports ('APR') for prior years, to which the Company has responded and is in process of filing the required forms.

As disclosed in each of the annual financial statements commencing from the year ended March 31, 2019, with the objective of divesting its non-core assets, the Company reviewed its subsidiaries’ operations, obligations, and compliances, and recommended a plan for rationalisation through sale, liquidation or merger ("Rationalisation Process"). After receiving approval from the Board, the Company has been taking steps to implement this plan. The Rationalisation Process for the existing subsidiaries is subject to regulatory and other approvals (in India and overseas). If any historical non-compliances are established during the Rationalisation Process, the Company will consult with its legal advisors, and address any such issues including, if necessary, considering filing appropriate compounding applications with the relevant authorities. At this stage, it is not possible for the management to estimate the financial impact on the Company, if any, arising out of potential non-compliances with applicable laws, if established.

40(b) Notices from the Ministry of Corporate Affairs

As disclosed in each of the annual financial statements commencing from year ended March 31, 2016, and pursuant to the inspection conducted by Ministry of Corporate Affairs ('MCA') during the year ended March 31, 2016, under Section 206(5) of the Companies Act, 2013, MCA issued show cause notices alleging violation of certain provisions of the Companies Act, 1956 and Companies Act, 2013, to which the Company had responded. During the year ended March 31, 2025, the Company has paid compounding fees and disposed off the compounding applications with the Registrar of Companies (RoC). As at year ended March 31, 2025, the Company is awaiting response from the RoC on one show cause notice wherein the Company had requested the RoC to discontinue further proceedings based on expert legal advice received. The penalty and compounding fee arising out of adjudication application are not material. The management is of the view that in line with the past adjudication orders, the financial impact arising out of adjudication of the residual matters will not be material to the Company’s financial statements.

40(c) Loan to United Breweries (Holdings) Limited ('UBHL')

As disclosed in each of the annual financial statements commencing from year ended March 31, 2015, the Company had pre-existing loans/ deposits/ advances/ accrued interest that were due to the Company and its subsidiaries from UBHL and its subsidiaries aggregating to ₹ 1,337 crores and that were consolidated into, and recorded as, an unsecured loan through an agreement entered into between the Company and UBHL on July 3, 2013 ('Loan Agreement'). UBHL defaulted on its obligations to pay any amounts under the Loan Agreement. The Company had made provision in prior financial years for the entire principal amount due of ₹ 1,337 crores, and for the accrued interest of ₹ 85 crores up to March 31, 2014. The Company has not recognised interest income on said loan after March 31, 2014 which cumulatively amounts to ₹ 1,343 crores up to March 31, 2025. The Company has cumulatively offset ₹ 206 crores payable to UBHL arising under a trademark license agreement against the receivables under the loan.

Since UBHL had defaulted on its obligations under the Loan Agreement, the Company sought redressal of disputes and claims through arbitration under the terms of the Loan Agreement. In April 2018, the arbitral tribunal passed a final award against the Company. The reasons for this adverse award were disputed by the Company, and the Company obtained leave from the High Court of Karnataka to challenge this arbitral award. In July 2018, the Company filed a petition challenging the said award before the Jurisdictional Court in Bangalore (the "Court"). The Court issued notice pursuant thereto to the Official Liquidator (OL). The Company filed its claim with the OL. By its judgment dated March 3, 2025, the Court dismissed the Company’s challenge to the arbitral award. The Company is challenging the judgment before the High Court of Karnataka.

Notwithstanding the judgement of the Court and the arbitral award, based on management assessment supported by an external legal opinion, the Company has offset payable to UBHL under the trademark license agreement against the balance of loan receivable from UBHL. During the quarter ended June 30, 2023, the OL filed an application before the High Court of Karnataka, seeking avoidance of setoff by the Company of the above license fee payments and recovery of the entire license fee payable under trademark license

Notes forming part of the standalone financial statements

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agreement with interest. The Company is contesting the application filed by the OL and filed its statement of objections during the quarter ended September 30, 2023. The OL subsequently filed its rejoinder during the quarter ended March 31, 2024. Based on the Management assessment supported by external legal opinions, the Company continues to believe that it has a good case on merits.

The Official Liquidator (UBHL) filed another claim before the High Court of Karnataka, purportedly as loans and advances repayable to UBHL by the Company, without substantiating the basis of such a claim. USL has denied this purported debt and is contesting this claim. The Company believes it has a good case on merits.

40(d) Dispute with IDBI Bank Limited

As disclosed in each of the annual financial statements commencing from year ended March 31, 2015, during the year ended March 31, 2014, the Company prepaid a term loan taken from IDBI Bank Limited (the “bank”) in earlier years which was secured by certain property, plant and equipment and brands of the Company as well as by a pledge of certain shares of the Company held by the USL Benefit Trust (of which the Company is the sole beneficiary). The bank disputed the prepayment, following which the Company filed a writ petition (“WP”) in November 2013 before the Hon’ble High Court of Karnataka (‘High Court’) challenging the actions of the bank.

In February 2016, following the original maturity date of the loan, the Company received a notice from the bank seeking to recall the loan and demanding a sum of ₹ 46 crores on account of outstanding principal, accrued interest and other amounts as also further interest till the settlement date as per the security documents. The Company challenged this notice in the pending writ proceedings during which the High Court directed that, subject to the Company depositing ₹ 46 crores with the bank in a suspense account, the bank should not deal with any of the secured assets including the shares until disposal of the writ petition. The Company deposited the full amount, and the bank was restrained from dealing with any of the secured assets.

In June 2019, a single judge bench of the High Court dismissed the Company’s writ petition, amongst other reasons, on the basis that the matter involved an issue of breach of contract by the Company and was therefore not maintainable in exercise of the court’s writ jurisdiction. The Company filed an appeal against this order before a division bench of the High Court, which was admitted and interim protection on the secured assets was reinstated. The writ appeal is pending.

Based on management assessment supported by external legal opinions, the Company continues to believe that it has a strong case on merits and therefore continues to believe that the aforesaid amount of ₹ 46 crores remains recoverable from the bank.

In a separate proceeding before the Debt Recovery Tribunal (DRT), Bengaluru, initiated by a consortium of banks (including the bank) for recovery of loans advanced by the consortium of banks to Kingfisher Airlines Limited (KAL), the bank filed an application for attachment of the pledged shares belonging to USL Benefit Trust. DRT dismissed the said application of the bank and the bank filed an appeal against this order before the Debt Recovery Appellate Tribunal (‘DRAT’), Chennai in September 2017. The bank’s appeal is pending for final hearing by the DRAT.

41 Capital and other commitments:

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Capital commitments for property, plant and equipment	46	27
(b) Other commitments towards:		
i. Advertisement and sales promotion	55	51
ii. minimum offtake commitment for purchase of bulk scotch from a related party (*)	1080	123

(*) minimum offtake commitment as at March 31, 2025, represents multi-year commitment entered into by the Company.

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(All amounts in ₹ crores unless otherwise stated)

42 Contingent liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Income tax matters	299	235
(b) Indirect tax matters		
(i) State excise	115	118
(ii) Central excise	0	0
(iii) Sales tax and entry tax	248	437
(iv) Goods and Services Tax	-	0
(c) Other civil litigations and claims	109	119

Notes:

(a) **Income tax matters-** Income tax matters primarily relate to exposures under transfer pricing and disallowance of certain expenses that the Company had claimed as deductions in its Income tax returns.

(b) **Indirect tax matters-** The Company has operations across various states in India. The Company has identified possible exposures relating to local sales tax, entry tax, state excise duty, goods and services tax and central excise duty.

(c) **Other civil litigations and claims-** Other civil litigations relate to various claims from third parties under dispute which are lying with various courts/ appellate authorities.

(d) **Provident fund-** The Company has evaluated the impact of the Supreme Court (“SC”) judgement dated February 28, 2019 in the case of Regional Provident Fund Commissioner (II) West Bengal v/s Vivekananda Vidyamandir and Others, in relation to non-inclusion of certain allowances in the definition of “basic wages” of the relevant employees for the purposes of determining contribution to Provident Fund (“PF”) under the Employees’ Provident Fund & Miscellaneous Provisions Act, 1952. There are interpretation issues relating to the said SC judgement. In the assessment of the management, the aforesaid matter is not likely to have a significant impact on the Company and accordingly, no provision has been made in the standalone financial statements.

(e) Use of judgement

Management categorizes the matters based on the probability of cash outflow, which require judgement. Management obtains the views of external consultants where necessary. Based on the assessment, management recognises liability/ provision, or discloses the matter as a contingent liability, except for matters where the probability of outflow of cash is considered remote. Due to uncertainties involved in the process, actual outflows may be different from those originally estimated.

The Company may be involved in legal proceedings in respect of which it is not possible to make a reliable estimate of any expected settlement. In such cases, management has determined that any potential future cash outflows are not likely to be material.

(f) Management is optimistic of a favourable outcome in the above matters based on legal opinions / management assessment. It is not practicable for the Company to estimate the timing of the cash outflows, if any, in respect of the above, pending resolution of respective proceedings.

(g) Contingent liabilities above do not include demands with respect to income tax and indirect tax matters wherein the Company has assessed the probability of outflows of economic benefits to be remote.

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(All amounts in ₹ crores unless otherwise stated)

43 Dues to micro and small enterprises

Particulars	As at March 31, 2025	As at March 31, 2024
Principal amount due to suppliers registered under the MSMED Act [and remaining unpaid as at year end][refer note(ii)]	82	75
Interest due on principal amount remaining unpaid as at year end, as above, to suppliers registered under the MSMED Act	1	1
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	184	284
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
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	0	2
Interest accrued and remaining unpaid at the end of each accounting year	11	10
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act	11	10

Notes:

- (i) The above information has been determined to the extent such parties have been identified by the Company.
- (ii) Includes ₹ 8 crores (2024: ₹ 6 crores) which are in nature of capital creditors.

44 Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the company as per the Act. The funds were primarily utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

Details of actual CSR expenditure incurred:

Particulars	As at March 31, 2025	As at March 31, 2024
i) Amount required to be spent by the company during the year (refer note 26)	26	19
ii) Amount of expenditure incurred		
a) Construction / acquisition of any asset	-	-
b) On purposes other than (i) above	26	21
iii) Shortfall/(excess) at the end of the year [(i)-(ii)]*	(0)	(2)
iv) Total of previous years shortfall	-	-
v) Reason for shortfall	NA	NA

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
vi) Nature of CSR activities	Employment enhancing vocation skills, conservation of natural resources including water, promoting responsible consumption of alcohol, promoting sanitation and making available safe drinking water and other activities in alignment with Schedule VII to the Act.	
vii) Details of related party transactions, e.g. contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	NA	NA
viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	NA	NA

The Company has not undertaken any ongoing projects during the year ended and as at March 31, 2025 and March 31, 2024.

Details of CSR expenditure under Section 135(5) of the Act in respect of excess amount spent:

Balance excess spent as at April 1, 2024	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at March 31, 2025
2	26	24	0

(*) The Company has utilised excess spent of prior year of ₹ 2 crores in the current year towards CSR expense. The Company intends to carry forward excess amount spent under CSR activity of ₹ 0 crores for the year ending March 31, 2026.

45 (a) Details of Investments (Original cost) as per Section 186 (4) of Companies Act, 2013

i) Investments in subsidiaries:

Name of the subsidiaries	Relationship	As at March 31, 2025	As at March 31, 2024
Domestic subsidiary			
Royal Challengers Sports Private Limited	Wholly owned subsidiary	170	170
Overseas subsidiaries			
Asian Opportunities & Investments Limited	Wholly owned subsidiary	30	30
McDowell & Co. (Scotland) Limited	Wholly owned subsidiary	13	13
USL Holdings Limited	Wholly owned subsidiary	5,629	5,629
Shaw Wallace Overseas Limited	Wholly owned subsidiary	1	1
Palmer Investment Group Limited	Wholly owned subsidiary	692	692
Total		6,535	6,535

Notes forming part of the standalone financial statements

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(All amounts in ₹ crores unless otherwise stated)

ii) Investments in joint ventures:

Name of the joint venture	Relationship	As at March 31, 2025	As at March 31, 2024
Nao Spirits & Beverages Private Limited	Joint venture	46	46
Inspired Hospitality Private Limited	Joint venture	6	-
V9 Beverages Private Limited	Joint venture	2	-
Indie Brews and Spirits Private Limited	Joint venture	5	-
Total		59	46

(b) Details of loans (gross) as per Section 186 (4) of Companies Act, 2013

Name of the borrower	Relationship	Purpose	Rate of Interest 2024-25	Rate of Interest 2023-24	Term/ Repayment schedule	As at March 31, 2025	As at March 31, 2024
Overseas subsidiaries:							
Asian Opportunities & Investments Limited	Wholly owned subsidiary	Working capital / funding towards acquisition of Bouvet Ladubay, erstwhile subsidiary	Interest free	Interest free	Term/ repayment schedule not specified.	61	59
USL Holdings UK Ltd	Wholly owned subsidiary	Working capital	Interest free	Interest free	Term/ repayment schedule not specified.	15	15
Joint venture:							
Nao Spirits & Beverages Private Limited (*)	Joint venture	Repayment of borrowers' existing debts	18%	NA	Interest payable on quarterly basis and principal to be repaid by November 3, 2025	18	NA
Others:							
United Breweries (Holdings) Limited	Unrelated	refer note 40(c)	9.50%	9.50%	8 years	1,238	1,238
Total						1,332	1,312

(*) As per the agreement, simple interest is charged for loan given to joint venture.

Notes forming part of the standalone financial statements

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(All amounts in ₹ crores unless otherwise stated)

46 Disclosure as per Regulation 34 (3) and 53 (f) read with Part A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of loans/ advances/ investments outstanding as at year end

Particulars	Investments in equity / preference shares at cost held as at		Gross loans outstanding as at		Maximum amount of loans and advances outstanding during the year ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Asian Opportunities & Investments Limited	30	30	59	59	59	59
Shaw Wallace Overseas Limited	1	1	-	-	-	-
USL Holdings Limited	5,629	5,629	-	-	-	-
USL Holdings UK Ltd	-	-	15	15	15	15
Palmer Investment Group Limited	692	692	-	-	-	-
McDowell & Co (Scotland) Limited	13	13	-	-	-	-
Royal Challengers Sports Private Limited	170	170	-	-	-	121
Nao Spirits & Beverages Private Limited	46	47	18	-	18	-
Inspired Hospitality Private Limited	6	-	-	-	-	-
V9 Beverages Private Limited	2	-	-	-	-	-
Indie Brews and Spirits Private Limited	5	-	-	-	-	-
Total	6,594	6,582	92	74		

The aforesaid amounts are gross of provisions, if any, made based on Management assessment of recoverability. For repayment schedule and interest related terms, refer note 45(b)

47 Exceptional Items

Supply Agility Programme

During the year ended March 31, 2023, the Board of Directors of the Company approved a multi-year supply chain agility programme. The programme primarily is directed towards the optimization of the existing manufacturing footprint with an intent to strengthen its end-to-end supply chain and make it fit for the future. The total implementation cost of the supply chain agility programme, majority of which are expected to be recognized as exceptional items, will be recorded when the recognition criteria are satisfied.

During the current year ended March 31, 2025, the Company has recognised an additional provision of ₹ 65 crores under exceptional items, towards severance costs relating to a closed unit.

48 Claim from Customer

During the quarter ended December 31, 2023, the Company received a claim from one of its institutional customers, amounting to ₹ 365 crores inclusive of penalty. The claim pertains to a historical matter regarding differential trade terms and was disclosed in the annual financial statements for the years ended March 31, 2017, March 31, 2018, March 31, 2021 and March 31, 2022. The impact of the settlement was accounted for and disclosed in the financial statements for the earlier years. Management's assessment is that the claim from the customer is unreasoned, arbitrary in nature and is in violation of the principles of natural justice. Management is of the view that the matter was resolved and settled in full in the prior years. Management has therefore not acknowledged the claim from the customer and has chosen to litigate as per the legal remedies available. The Company filed petitions under the Arbitration and Conciliation Act, seeking appointment of an arbitrator, and interim relief against withholding payments. By its order dated August 12, 2024, the Bombay High Court appointed a Sole Arbitrator to decide on the dispute and transferred the Company's pending petition for interim relief to be decided by the Arbitrator and is reserved for orders. The parties have filed their respective pleadings, and the arbitration is in progress. Management, supported by external legal opinion, believes that it has a good case on merits with a high probability of success in realising the withheld payments. Management has also determined that the receivable from the customer as at March 31, 2025 is good and recoverable.

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

49 Additional regulatory information required by Schedule III

i. Details of benami property held

The Company does not hold any benami property. No proceedings have been initiated on the Company or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

ii. Borrowing secured against current assets

The Company has no borrowings from banks and financial institutions on the basis of security of current assets.

iii. Willful defaulter

The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

iv. Relationship with struck off companies

The Company has no transactions with the companies struck off under the Companies Act, 2013 or the Companies Act, 1956 except for the following:

Name of the Struck Off company	Nature of transactions with the struck off company	Balance outstanding as at March 31, 2025	Balance outstanding as at March 31, 2024	Relationship with the struck off company
Charuu Multi Services Private Limited	Purchase of goods and payment made	-	-	Vendor

v. Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

vi. Compliance with number of layers of companies

The Company has ensured compliance with Section 2(87) of the Companies Act, 2013, read with the Companies (Restriction on Number of Layers) Rules, 2017 ('Layering Rules').

vii. Utilisation of borrowed funds and share premium

A. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding 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 funding party (ultimate beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

B. 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 otherwise) 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 to or on behalf of the ultimate beneficiaries.

viii. Undisclosed income

There is no income surrendered or disclosed as income during the current or prior year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of accounts of the Company.

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

ix. Compliance with approved scheme(s) of arrangements

The Company has not entered into any such scheme of arrangement which has an accounting impact on current or previous financial year.

x. Loans or advances to specified persons

The Company has not granted any loans or advances to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, except for the parties mentioned under Note 45(b) that are:

- (a) Repayable on demand
- (b) Without specifying any terms or period of repayment

xi. Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or prior year.

xii. Valuation of property, plant and equipment, right-of-use asset, intangible asset and investment properties

The Company has not revalued its property, plant and equipment, right-of-use assets, intangible assets or investment properties during the current or previous year.

xiii. Utilisation of borrowings taken from banks and financial institutions for specific purpose

The Company has not availed any borrowings from any banks or financial institutions during the year.

xiv. Analytical ratios

Ratios	Numerator	Denominator	Year ended March 31, 2025	Year ended March 31, 2024	% Variance
Current ratio	Current assets	Current liabilities	2.0	1.9	1.5%
Debt-equity ratio (refer note 32a)	Debt / borrowings	Shareholder's equity	NA	NA	NA
Debt service coverage ratio	Earnings available for debt service	Debt service	NA	NA	NA
Return on equity ratio	Profit after tax	Average shareholder's equity	21.0%	20.3%	3.4%
Inventory turnover ratio	Cost of goods sold and excise duty	Average inventory	9.9	9.7	2.4%
Trade receivables turnover ratio	Gross sales	Average trade receivables	7.9	9.2	-14.0%
Trade payables turnover ratio	Net purchases	Average trade payables	4.5	4.7	-5.4%
Net capital turnover ratio	Gross sales	Working capital (inventories, trade receivables and trade payables)	7.1	8.5	-17.1%
Net profit ratio	Net profit	Net sales (Sales-Excise duty)	13.5%	12.3%	9.7%
Return on capital employed	Earnings before interest and taxes	Capital employed (Equity, debt and lease liabilities)	26.4%	24.7%	7.0%
Return on investment	Earnings before interest and taxes	Average total assets	18.8%	17.5%	7.6%

Note: Reasons for variance is not required as change in ratios is less than 25% as compared to prior year.

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

50 Summary of other accounting policies

50.1 Property, plant and equipment

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All expenses in the nature of repairs and maintenance are charged to the Standalone Statement of Profit and Loss during the reporting period in which they are incurred.

The cost of property, plant and equipment which are not ready for their intended use at the balance sheet date, are disclosed as capital work-in-progress.

Disposals

Gains and losses on disposals are determined by comparing proceeds with the carrying amounts. These are accounted in the Standalone Statement of Profit and Loss within other income/other expenses, on a net basis.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

50.2 Intangible assets

Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested for impairment at least annually, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

50.3 Investment in subsidiaries and joint ventures

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses, 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 an asset’s fair value less costs of disposal and value in use.

On disposal of investments in subsidiaries and joint ventures, the difference between net disposal proceeds and the carrying amounts are recognised in the Standalone Statement of Profit and Loss.

On adoption of Ind AS, Company has measured these investments at cost using the net carrying value as per previous GAAP as at March 31, 2015. The Company has subsequently measured its investments in equity shares of subsidiaries and joint ventures at cost in accordance with Ind AS 27.

Notes forming part of the standalone financial statements

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(All amounts in ₹ crores unless otherwise stated)

50.4 Financial instruments

A) Financial assets:

a) Recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, all financial assets except trade receivables are recognised at fair value. Financial assets are subsequently classified and measured at amortised cost. Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

i) Loans

On initial recognition, loans are measured at fair value. Since the objective is to hold these financial assets to collect contractual cash flows that are solely payments of principal and interest, these assets are subsequently measured at amortised cost using the EIR method less impairment, if any.

ii) Other financial assets:

On initial recognition, Other financial assets are measured at fair value, and subsequently, measured at the amortised cost, less impairment if any. Loss arising from impairment, if any is recognised in the Standalone Statement of Profit and Loss.

b) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

c) Impairment of financial assets

The Company applies Expected Credit Losses (ECL) model for measurement and recognition of loss allowance on trade receivables and other financial assets measured at amortised cost.

In case of trade receivables, the Company follows the provision matrix approach (as permitted by Ind AS 109) wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

In case of other financial assets, the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance. Subsequently, if the credit quality of the financial assets improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive (i.e., cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

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ECL are measured in a manner that they reflect probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Standalone Statement of Profit and Loss under the head Other expenses as ‘Allowance for trade receivable, other financial assets and other assets (net)’.

d) Income recognition

Dividend income on investments is recognised and accounted for when the right to receive the payment is established, it probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

Interest income is accounted for on a time-proportion basis using effective interest rate method taking into account the amounts invested and the rate of interest, except for financial assets that subsequently become credit impaired.

For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance).

B) Financial liabilities:

a) Recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, financial liabilities are measured at fair value and subsequently measured at amortised cost.

Trade and other payables

In case of trade and other payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest rate method.

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per credit period. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

b) Derecognition

The Company derecognises a financial liability when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

c) Off-setting 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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Notes forming part of the standalone financial statements

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50.5 Employee benefits

a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and performance incentives that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees’ services rendered up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented under ‘Other financial liabilities’ in the Standalone Balance Sheet.

b) Post-employment obligations

The Company’s defined benefit plans comprise gratuity and pension.

Pension and gratuity obligations

The net liability or asset recognised in the Standalone Balance Sheet in respect of pension and gratuity (defined benefit plans) is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Standalone Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Standalone Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

These are plans in which the Company pays pre-defined amounts to funds administered by government authority and the Company does not have any legal or constructive obligation to pay additional sums. These comprise contributions in respect of Employees’ Provident Fund, Employees’ Pension Scheme, Employees’ State Insurance, Superannuation fund and National Pension Scheme. The Company’s payments to the defined contribution plans are recognised as employee benefit expenses when they are due.

(c) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields of government bonds at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Standalone Statement of Profit and Loss.

(d) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the

Notes forming part of the standalone financial statements

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Company recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(e) Share-based payments

Share based compensation benefits are provided to certain grades of employees in the form of United Spirits Limited- Stock Appreciation Rights Plan, a cash settled scheme, and various equity settled schemes managed by Diageo group.

Stock appreciation rights

Liabilities for the Company’s share appreciation rights are recognised as employee benefit expense over the relevant service period. The liabilities are remeasured to fair value at each reporting date and are presented as current/ non-current provisions in the Standalone Balance Sheet.

Diageo group share based payment arrangements:

The fair value of equity settled share options based on shares of Diageo plc. (the ultimate holding company) is initially measured at grant date and is charged to the Standalone Statement of Profit and Loss over the vesting period, which is the period over which all of the specified vesting conditions are satisfied, and the credit is included in equity. At the end of each period, the Company revises its estimates of the number of options that are expected to vest based on the non-market and service conditions. It recognises the impact of revision to original estimate, if any, in profit or loss, with a corresponding adjustment to equity. Once the costs towards share option plans are cross charged by Diageo group companies, the same is accounted for as a reduction from equity. To the extent the amount or recharge exceeds the fair value of equity shares on the date of exercise, the same is recognised in the Standalone Statement of Profit and Loss.

50.6 Income tax

Income tax expense is the tax payable on the current period’s taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax liabilities are not recognised if they arise from initial recognition of goodwill. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in Standalone Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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50.7 Earnings per share (EPS)

Basic EPS is arrived by dividing profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti-dilutive. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented in case of share splits.

50.8 Provisions and contingencies

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

A provision is made in respect of onerous contracts, i.e., contracts in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contracts. Provisions are not recognised for other future operating losses. The carrying amounts of provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

50.9 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Standalone Statement of Profit and Loss over the period of the borrowings using the effective interest method.

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Standalone Statement of Profit and Loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

50.10 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

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50.11 Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions are 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 property, plant and equipment, it is recognised as deferred income and recognised as income in Standalone Statement of Profit and Loss over the expected useful life of the related asset. When loan or similar assistance are provided by government or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is recognized at government rate. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received.

50.12 Exceptional items

When an item of income or expense within Standalone Statement of Profit and Loss from ordinary activity is of such size, nature and incidence that its disclosure is relevant to explain more meaningfully the performance of the Company for the year, the nature and amount of such items is disclosed as exceptional items.

50.13 Segmental information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Executive committee, which has been identified as the chief operating decision maker, assesses the financial performance and position of the Company and makes strategic decisions. The executive committee consists of the Managing Director & Chief Executive Officer and other senior management team members. Since segment disclosures have been provided in the consolidated financial statements, no such disclosures have been made in these standalone financial statements.

50.14 Equity

Own shares represent shares of the Company and those held in treasury by USL Benefit Trust. Pursuant to orders of the High Court of Karnataka and the High Court of Bombay, shares held in aforesaid trust have been treated as an investment.

Dividends - Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

50.15 Foreign currency translation

(i) Functional and presentation currency

The standalone financial statements are presented in Indian Rupee (₹), the functional currency of the company.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the Standalone Statement of Profit and Loss.

Notes forming part of the standalone financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

50.16 Rounding of amounts

All amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest crores as per the requirement of Schedule III (Division II) to the Act, unless otherwise stated. The sign ‘0’ in these standalone financial statements indicates that the amounts involved are below ₹ Fifty Lakhs and the sign ‘-’ indicates that amounts are nil.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm registration number: 304026E/E-300009

Dibyendu Majumder
Partner
Membership number: 057687

Place : Bengaluru
Date : May 20, 2025

For and on behalf of the Board of Directors

V K Viswanathan
Chairman
DIN: 01782934
Place : Bengaluru

Mital Sanghvi
Company Secretary
Place : Bengaluru

Date : May 20, 2025

Praveen Someshwar
Managing Director & Chief Executive Officer
DIN: 01802656
Place : Bengaluru

Pradeep Jain
Executive Director & Chief Financial Officer
DIN: 02110401
Place : Bengaluru

Independent Auditor’s Report

To the Members of United Spirits Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of United Spirits Limited (hereinafter referred to as the “Holding Company”), its subsidiaries and a trust controlled by it (together referred to as “the Group”) and its joint ventures (refer Group overview section to the attached consolidated financial statements), which comprise the Consolidated Balance Sheet as at March 31, 2025, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as “the consolidated financial statements”).
2. In our opinion and to the best of our information and according to the explanations given to us, 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint ventures as at March 31, 2025 and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit 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 “Auditors’ responsibilities for the audit of the consolidated financial statements” section of our report. We are independent of the Group and its joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraphs 15 and 16 of the Other Matters section below, other than the unaudited financial information as certified by the management and referred to in paragraph 17 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to the following matters:

a) Note 41A(a) to the consolidated financial statements regarding the uncertainties post completion of the Initial Inquiry, which identified references to certain Additional Parties and certain Additional matters, the then MD and CEO of the Holding Company, pursuant to the direction of the Board of Directors of the Holding Company, had carried out an Additional Inquiry that revealed transactions indicating actual and potential diversion of funds from the Holding Company and its Indian and overseas subsidiaries to, in most cases, Indian and overseas entities that appear to be affiliated or associated with the Company's erstwhile non-executive Chairman and other potentially improper transactions. Post the completion of Additional Inquiry certain regulatory notices and communications were received from Securities Exchange Board of India, Directorate of Enforcement and Authorised Dealer banks ('AD') to which the Holding Company has responded. Subsequently, the Holding Company had commenced the rationalisation process for divestment/ liquidation/ merger of certain overseas subsidiaries including step down subsidiaries and completion of the above Rationalisation process is subject to regulatory approvals in India and overseas. The Holding Company has also filed suits for recovery of certain amounts against relevant parties and individuals identified in the Additional Inquiry including excess managerial remuneration paid to the former Executive Director and CFO which have been fully provided for or recognised as an expense in prior years. The management is currently unable to estimate the financial impact on the Holding Company, if any, arising out of potential non compliances with applicable laws as above.

b) Note 41A(e) to the consolidated financial statements, which describes the uncertainty relating to the final outcome of litigations with a bank (“the bank”) that continues to retain the pledge of certain assets of the Holding Company and of the Holding Company's shares held by USL Benefit Trust (of which the Holding Company is the sole beneficiary) despite the Holding Company prepaying the term loan to that bank along with the prepayment penalty and further depositing an additional sum of ₹ 46 crores demanded by the bank and as directed by the Hon’ble High Court of Karnataka (the “Court”). Based on management assessment supported by external legal opinions, the Holding Company has disclosed the aforesaid amount of ₹ 46 crores under Other non-current financial assets as recoverable from the bank pending the final outcome of

Independent Auditors’ Report (Continued)

the litigation. In a separate proceeding before the Debt Recovery Appellate Tribunal, the bank’s appeal against the judgement awarded by Debt Recovery Tribunal in favour of the Holding Company in respect of attachment of the aforesaid pledged shares for recovery of the loans advanced by the bank to Kingfisher Airlines Limited is pending disposal.

Our opinion is not modified in respect of the matters described under paragraph 4 above.

Key Audit Matters

5. 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.

Key audit matter	How our audit addressed the key audit matter
Assessment of the appropriateness of provisions recognised and contingent liabilities disclosed in respect of certain tax matters. (Refer Notes 8, 18 and 43(a) and 43(b) to the consolidated financial statements)	Our audit procedures included the following: - Understood, evaluated and tested the design and operating effectiveness of the Holding Company’s controls in respect of the identifying potential tax exposures and/ or the accounting and disclosures thereof. - Evaluated the related accounting policy for recognising provisions for tax exposures and disclosure of contingent liabilities with the requirements of the relevant accounting standards. - Obtained Holding Company management’s assessment in respect of tax demands on whether cash outflow is either probable, possible or remote. - Evaluated Holding Company management’s assessment with the help of auditors’ specialists, where necessary, as follows: - For the samples selected, read the correspondences received during the year from the tax authorities or orders from the appellate authorities. - Read and assessed the views provided by the management or external tax counsel appointed by the Holding Company management, as applicable. - Assessed Holding Company management’s position on significant tax exposures in accordance with the tax laws and past precedents of tax judgements. - Assessed completeness of litigations by inquiring with the Holding Company management, perusal of Board minutes and obtained confirmations from external tax counsel. - Evaluated the objectivity, independence, competence and capabilities of the external tax counsel appointed by the Holding Company. - Evaluated the adequacy of the disclosures made in the consolidated financial statements.
As at March 31, 2025, the Holding Company has significant tax exposures and is subject to periodic assessments/ demands by tax authorities on transfer pricing, income tax and indirect tax matters. Consequent to such tax assessments and demands relating to past several years, the Holding Company has paid certain amounts under protest at various dates. The Holding Company has also filed appeals with various appellate authorities against such demands.	
Management judgement is involved in assessing the likelihood of ultimate outcome of the tax disputes to decide on the accounting/ disclosure requirements. For certain complex matters the probable amount of the cash outflows determined by the management is supported by opinions obtained from external tax counsels or assessment performed by management tax experts.	
We considered this a key audit matter as:	
(a) The amounts involved are significant to the consolidated financial statements;	
(b) Change in the management’s judgements and estimates may significantly affect the provisions recognised or contingent liabilities disclosed; and	
(c) Matters of disputes are complex in some cases due to the nature of the industry in which the Holding Company operates and are subject to interpretations under tax laws.	

Independent Auditors’ Report (Continued)

Other information

6. The Holding Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the financial statements and our auditors’ 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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us, 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

7. The Holding Company’s Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act.

The respective Board of Directors of the companies included in the Group and of its joint ventures and the trustees of the Trust are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint ventures and the trustees of the trust are responsible for assessing the ability of the Group and of its joint ventures 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 Group and its joint ventures or to cease operations, or has no realistic alternative but to do so.

9. The respective Board of Directors of the companies included in the Group and of its joint ventures and trustees of the trust are responsible for overseeing the financial reporting process of the Group and of its joint ventures.

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

10. 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 auditors’ 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.

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

- (a) 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.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)

Independent Auditors’ Report (Continued)

(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.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and joint ventures 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 and its joint ventures to cease to continue as a going concern.

(e) 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.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint ventures 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 entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance of the Holding Company and such other entities 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.

13. 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.

14. 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

15. We did not audit the financial statements of one trust controlled by the Holding Company included in the consolidated financial statements, whose financial statements reflect total assets of ₹ 0 crores and net assets of ₹ 0 crores as at March 31, 2025, total revenue of Nil, net profit of ₹ 2 crores, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 2 crores and net cash outflows amounting to ₹ 11 crores for the year ended March 31, 2025. These financial statements have been prepared in accordance with accounting principles applicable to the trust and have been audited by the other auditor under generally accepted auditing standards applicable in India. The Holding Company’s management has converted the financial statements of the trust from accounting principles followed by the trust to the accounting principles applicable to the Holding Company. We have audited these conversion adjustments as necessary made by the Holding Company’s management. Our opinion on the consolidated financial statements in so far as it relates to the balances and affairs of the trust, including other information, is based on the report of other auditors and the conversion adjustments prepared by the Management of the Holding Company as necessary and audited by us.

16. We did not audit the financial statements of 8 overseas subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of ₹ 80 crores and net assets of ₹ 80 crores as at March 31, 2025, total revenue of Nil, net profit of ₹ 13 crores, total comprehensive

Independent Auditors’ Report (Continued)

- income (comprising of profit and other comprehensive income) of ₹ 13 crores and net cash inflows of ₹ 59 crores for the year ended March 31, 2025. These financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company’s management has converted the financial statements of such subsidiaries located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have audited these conversion adjustments as necessary made by the Holding Company’s management. Our opinion on the consolidated financial statements in so far as it relates to the balances and affairs of such subsidiaries located outside India, including other information, is based on the report of other auditors and the conversion adjustments prepared by the Management of the Holding Company as necessary and audited by us.
17. The consolidated financial statements include Group's share of net loss of ₹ 7 crores and total comprehensive income (comprising of loss and other comprehensive income) of ₹ (7) crores for the year ended March 31, 2025 in respect of its joint ventures. The said financial information relating to the joint ventures have not been audited by us. The financial information relating to the joint ventures are unaudited and have been furnished by the Board of Directors of the Holding Company, and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid joint ventures, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Holding Company’s Board of Directors, such financial information is not material to the Group.
18. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters specified in paragraphs 15 and 16 with respect to our reliance on the work done and reports of the other auditors and as specified in paragraph 17 with respect to the financial information certified by the Board of Directors.
- Report on Other Legal and Regulatory Requirements**
19. As required by the Companies (Auditor’s Report) Order, 2020 (“CARO 2020”), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the “Annexure B”, a statement on the matter specified in paragraph 3(xxi) of CARO 2020.
20. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 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 except for the matters stated in paragraph 20(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary company, which are companies incorporated in India and taken on record by the Board of Directors of the Holding Company and its subsidiary company, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 20(b) above on reporting under Section 143(3)(b) and paragraph 20(h)(vi) below on reporting under Rule 11(g) of the Rules.
- (g) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in “Annexure A”. Reporting under Section 143(3)(i) of the Act in respect of the adequacy of internal controls with reference to financial

Independent Auditors’ Report (Continued)

- statements is not applicable to the trust controlled by the Holding Company.
- (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, 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, if any, of pending litigations on the consolidated financial statements. (Refer Notes 8, 18, 41A(a), 41A(d), 41A(e) and 43 to the consolidated financial statements)
- ii. The Group was not required to recognise a provision as at March 31, 2025 under the applicable law or accounting standards, as it did not have any material foreseeable losses on long-term contracts. The Group did not have any derivative contracts as at March 31, 2025. (Refer Note 40 to the consolidated financial statements)
- iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by a subsidiary company, incorporated in India.
- iv. (a) The respective Managements of the Holding Company and its subsidiary company, which are companies incorporated in India, whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) 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 by the subsidiary company to or in any other person or entity, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether 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 such subsidiary company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer Note 47(vi)A to the consolidated financial statements)
- (b) The respective Managements of the Holding Company and its subsidiary company, which are companies incorporated in India, whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or subsidiary company from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company or subsidiary company shall, whether 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. (Refer Note 47(vi) B to the consolidated financial statements)
- (c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us, nothing has come to our or other auditors’ notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- v. The dividend declared and paid by the Holding Company and its subsidiary company, which are companies incorporated in India, during the year and until the date of this audit report, is in compliance with Section 123 of the Act.
- vi. Based on our examination, which included test checks, the Holding Company and its subsidiary company, which are companies incorporated in India, have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except that the audit trail is not maintained for any

Independent Auditors’ Report (Continued)

changes made through specific access and direct database changes. Other than for the instances mentioned above, based on our procedures performed, we did not notice any instance of the audit trail feature being tampered with. Further, the audit trail, to the extent maintained in the prior year, has been preserved by the Holding Company and its subsidiary company as per the statutory requirements for record retention.		V to the Act. The subsidiary company, incorporated in India, has not paid remuneration to its managerial personnel during the year.	
		For Price Waterhouse & Co Chartered Accountants LLP Firm Registration Number: 304026E/ E300009	
		Dibyendu Majumder Partner Membership Number: 057687 UDIN: 25057687BMNRQL9012	
21.	The Holding Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule	Place: Bengaluru Date: May 20, 2025	

Annexure A to Independent Auditors’ Report

Referred to in paragraph 20(g) of the Independent Auditors’ Report of even date to the members of United Spirits Limited on the consolidated financial statements as of and for the year ended March 31, 2025

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2025, we have audited the internal financial controls with reference to consolidated financial statements of United Spirits Limited (hereinafter referred to as “the Holding Company”), its subsidiary company and a joint venture, which are companies incorporated in India, as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to three joint ventures companies, incorporated in India namely Inspired Hospitality Private Limited, Indie Brews and Spirits Private Limited and V9 Beverages Private Limited, pursuant to MCA notification GSR 583(E) dated June 13, 2017.

Management’s Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary company, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) issued by the Institute of Chartered Accountants of India (“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 Act.

Auditors’ Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial

controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company’s internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to 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 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.

Annexure A to Independent Auditors’ Report (Continued)

Inherent Limitations of Internal Financial Controls with reference to financial statements

7.
- Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8.
- In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other matter

9.
- 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 financial statements insofar as it relates to a joint venture company, which is a company incorporated in India, whose financial statements are unaudited and whose effectiveness of internal financial controls over financial reporting is based solely on the Management’s certification provided to us and our opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Group is not affected as the financial statements of such entity is not material to the Group. Our opinion is not modified in respect of this matter with respect to our reliance on the financial information certified by the Management. (Also refer paragraph 17 of our Report on the Audit of Consolidated Financial Statements)

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E300009

Dibyendu Majumder
Partner

Place: Bengaluru
Date: May 20, 2025

Membership Number: 057687
UDIN: 25057687BMNRQL9012

Annexure B to Independent Auditors’ Report

Referred to in paragraph 19 of the Independent Auditors’ Report of even date to the members of United Spirits Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2025

As required by paragraph 3(xxii) of the CARO 2020, we report that the auditors of the following companies have given qualification or adverse remarks in their CARO report on the standalone financial statements of the respective companies included in the consolidated financial statements of the Holding Company:

Sl. No.	Name of the Company	CIN	Relationship with the Holding Company	Date of the respective auditors’ report	Paragraph number and comment in the respective CARO report reproduced below
1.	United Spirits Limited	L01551KA1999PLC024991	Holding Company of the Group	May 20, 2025	(i)(c) and (iii)(c)

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E300009

Place: Bengaluru
Date: May 20, 2025

Dibyendu Majumder
Partner

Membership Number: 057687
UDIN: 25057687BMNRQL9012

Consolidated Balance Sheet

(All amounts in ₹ crores unless otherwise stated)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	850	844
Right-of-use assets	3.2	457	227
Capital work-in-progress	3.3	72	37
Goodwill	3.4	1	1
Other intangible assets	3.4	329	349
Investment properties	3.5	75	139
Financial assets			
Investments in joint ventures	4.1	50	46
Trade receivables	11	340	365
Loans	5	-	-
Other financial assets	6	384	111
Deferred tax assets (net)	7	155	177
Current tax assets (net)	8	1,115	1,358
Other non-current assets	9	218	218
Total non-current assets		4,046	3,872
Current assets			
Inventories	10	2,305	2,063
Financial assets			
Investments	4.2	873	599
Trade receivables	11	3,410	3,056
Cash and cash equivalents	12	1,328	1,052
Bank balances other than cash and cash equivalents	13	702	217
Loans	5	22	10
Other financial assets	6	256	37
Other current assets	9	306	343
Total current assets		9,202	7,377
Total assets		13,248	11,249
EQUITY AND LIABILITIES			
EQUITY			
Share capital	14	145	145
Other equity			
Reserves and surplus	15	7,959	6,976
Total equity		8,104	7,121

Consolidated Balance Sheet (Continued)

(All amounts in ₹ crores unless otherwise stated)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	3.2	334	137
Deferred tax liabilities	7	72	73
Provisions	18	16	15
Total non-current liabilities		422	225
Current liabilities			
Financial liabilities			
Borrowings	16	-	25
Lease liabilities	3.2	146	103
Trade payables			
(A) total outstanding dues of micro and small enterprises	19	75	70
(B) total outstanding dues of creditors other than micro and small enterprises	19	2,164	1,884
Other financial liabilities	17	477	276
Provisions	18	375	368
Current tax liabilities (net)	8	380	332
Other current liabilities	20	1,105	845
Total current liabilities		4,722	3,903
Total liabilities		5,144	4,128
Total equity and liabilities		13,248	11,249

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

As per our consolidated report of even date

For [Price Waterhouse & Co Chartered Accountants LLP](#)
Firm registration number: 304026E/E-300009

Dibyendu Majumder
Partner
Membership number: 057687

Place : Bengaluru
Date : May 20, 2025

For and on behalf of the Board of Directors

V K Viswanathan
Chairman
DIN: 01782934
Place : Bengaluru

Mital Sanghvi
Company Secretary
Place : Bengaluru

Date : May 20, 2025

Praveen Someshwar
Managing Director & Chief Executive Officer
DIN: 01802656
Place : Bengaluru
Pradeep Jain
Executive Director & Chief Financial Officer
DIN: 02110401
Place : Bengaluru

Consolidated Statement of Profit and Loss

(All amounts in ₹ crores unless otherwise stated)			
Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
INCOME			
Revenue from operations	21	27,276	26,018
Other income	22	336	225
Total income		27,612	26,243
EXPENSES			
Cost of materials consumed	23	5,443	5,254
Purchase of stock-in-trade		864	675
Change in inventories of finished goods, work-in-progress and stock-in-trade	24	90	119
Excise duty		15,207	14,697
Employee benefits expense	25	609	547
Depreciation and amortisation expense	26	283	275
Advertisement and sales promotion		1,130	1,048
Other expenses	27	1,690	1,677
Finance costs	28	89	76
Total expenses		25,405	24,368
Profit before share of net loss of joint ventures, exceptional items and tax		2,207	1,875
Share of net loss of joint ventures		(7)	(1)
Profit before exceptional items and tax		2,200	1,874
Less: Exceptional items, net	29	(65)	(17)
Profit before tax		2,135	1,857
Income tax expense:	30		
Current tax		555	450
Current tax relating to earlier years		(11)	(10)
Deferred tax charge		9	9
Total tax expense		553	449
Profit for the year		1,582	1,408

Consolidated Statement of Profit and Loss (Continued)

(All amounts in ₹ crores unless otherwise stated)			
Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
Other comprehensive income			
A. <i>Items that will be reclassified to profit or loss</i>			
(i) Exchange difference on translation of foreign operations		2	(1)
(ii) Share of other comprehensive income of joint ventures		-	-
B. <i>Items that will not be reclassified to profit or loss</i>			
(i) Remeasurements of post-employment benefit plans	39(b)E	(3)	(3)
(ii) Share of other comprehensive income of joint ventures		-	-
(iii) Income tax credit relating to above		1	1
Other comprehensive income for the year, net of income tax		0	(3)
Total comprehensive income for the year		1,582	1,405
Basic and diluted earnings per share (in ₹)	31	22.28	19.83

The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes.

As per our consolidated report of even date

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm registration number: 304026E/E-300009

Dibyendu Majumder
Partner
Membership number: 057687

Place : Bengaluru
Date : May 20, 2025

For and on behalf of the Board of Directors

V K Viswanathan
Chairman
DIN: 01782934
Place : Bengaluru

Praveen Someshwar
Managing Director & Chief Executive Officer
DIN: 01802656
Place : Bengaluru

Mital Sanghvi
Company Secretary
Place : Bengaluru

Pradeep Jain
Executive Director & Chief Financial Officer
DIN: 02110401
Place : Bengaluru

Date : May 20, 2025

Consolidated Statement of Changes in Equity

A. Equity share capital

(All amounts in ₹ crores unless otherwise stated)		
Particulars	Note	Amount
Equity share capital as at April 1, 2023	14	145
Changes in equity share capital		-
Equity share capital as at March 31, 2024	14	145
Changes in equity share capital		-
Equity share capital as at March 31, 2025	14	145

B. Other equity

Attributable to owners of United Spirits Limited												
Reserves and surplus												
Particulars	Notes	Capital reserve	Capital redemption reserve	Securities premium account	Treasury shares	Central subsidy	Share based incentive reserve	Foreign currency translation reserve	Contingency reserve	General reserve	Retained earnings	Total
As at April 1, 2023	15	568	70	4,568	(120)	5	1	19	11	1,041	(308)	5,854
Profit for the year		-	-	-	-	-	-	-	-	-	1,408	1,408
Other comprehensive income (OCI), net of tax		-	-	-	-	-	-	(1)	-	-	(2)	(3)
Total comprehensive income for the year		-	-	-	-	-	-	(1)	-	-	1,406	1,405
Share based payments	35	-	-	-	-	-	4	-	-	-	-	4
Cross charge by a Diageo group company during the year towards share based payments	37(b)(ix)	-	-	-	-	-	(4)	-	-	-	-	(4)
Dividend payment		-	-	-	-	-	-	-	-	-	(284)	(284)
As at March 31, 2024	15	568	70	4,568	(120)	5	1	18	11	1,041	814	6,976
Profit for the year		-	-	-	-	-	-	0	-	-	1,582	1,582
Other comprehensive income (OCI), net of tax		-	-	-	-	-	-	2	-	-	(2)	0
Total comprehensive income for the year		-	-	-	-	-	-	2	-	-	1,580	1,582
Share based payments	35	-	-	-	-	-	5	-	-	-	-	5
Cross charge by a Diageo group company during the year towards share based payments	37(b)(ix)	-	-	-	-	-	(5)	-	-	-	-	(5)
Other movements (net)		-	-	-	-	-	-	-	-	-	40	40
Dividend payment	33(b)	-	-	-	-	-	-	-	-	-	(639)	(639)
As at March 31, 2025	15	568	70	4,568	(120)	5	1	20	11	1,041	1,795	7,959

The above consolidated statement of changes in equity should be read in conjunction with accompanying notes.

As per our consolidated report of even date

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm registration number: 304026E/E-300009

Dibyendu Majumder
Partner
Membership number: 057687

For and on behalf of the Board of Directors

V K Viswanathan
Chairman
DIN: 01782934
Place : Bengaluru

Praveen Someshwar
Managing Director & Chief Executive Officer
DIN: 01802656
Place : Bengaluru

Mital Sanghvi
Company Secretary
Place : Bengaluru

Pradeep Jain
Executive Director & Chief Financial Officer
DIN: 02110401
Place : Bengaluru

Place : Bengaluru

Date : May 20, 2025

Date : May 20, 2025

Consolidated Statement of Cash Flows

(All amounts in ₹ crores unless otherwise stated)			
Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		2,135	1,857
Adjustments for			
Depreciation and amortisation expense	26	283	275
Employee share-based payment expense	25	17	37
Loss allowance on trade receivables, other financial assets and other assets (net)	27	(9)	41
Profit on redemption of mutual fund units		(32)	(47)
Increase in fair value of mutual fund units	22	(16)	(18)
Finance costs	28	89	76
Gain on disposal of property, plant and equipment and investment property (net)	22	(99)	(12)
Interest income on term deposits with banks	22	(71)	(42)
Interest income from loan to a joint venture	22	(1)	-
Interest on direct and indirect tax refunds	22	(48)	(88)
Share of net loss of joint ventures	4.1	7	1
Exceptional item- profit on sale of business undertaking	29	-	(31)
Exceptional item- supply restructuring cost	29	65	48
Exchange (gain)/loss on translation of assets and liabilities		(1)	3
		184	243
Operating profit before changes in working capital changes		2,319	2,100
(Increase) / decrease in trade receivables		(321)	(1,045)
(Increase) / decrease in loans and other financial assets		(42)	154
(Increase) / decrease in other assets		45	(35)
(Increase) / decrease in inventories		(242)	163
Increase / (decrease) in trade payables		250	132
Increase / (decrease) in other financial liabilities		(145)	(43)
Increase / (decrease) in other liabilities		260	78
Increase / (decrease) in provisions		(14)	(49)
		(209)	(645)
Cash generated from operations		2,110	1,455
Income taxes paid (net of refunds)		(163)	(337)
Net cash generated from operating activities (A)		1,947	1,118
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment and intangible assets		(162)	(98)
Proceeds from sale of property, plant and equipment		1	19
Purchase of current investments		(1,391)	(1,032)
Redemption of current investments		1,163	751
Investment in term deposits with banks		(1,203)	(427)
Redemption of term deposits from banks		466	980
Investment in joint ventures		(13)	(15)
Loan given to joint venture		(18)	-
Repayment of loans given to others		7	6
Interest received		36	42

Consolidated Statement of Cash Flows (Continued)

(All amounts in ₹ crores unless otherwise stated)			
Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
Net cash outflow from investing activities (B)		(1,114)	226
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from working capital loans	16	28	25
Repayment of working capital loans	16	(53)	-
Principal repayment of lease liabilities	16	(137)	(126)
Interest paid on lease liabilities	16	(40)	(21)
Repayment of deferred sales tax liability	16	(0)	(1)
Interest paid on borrowings	16	(0)	(0)
Dividend paid (net)	33(b)	(355)	(284)
Net cash outflow from financing activities (C)		(557)	(407)
Net increase in cash and cash equivalents [D = A+B+C]		276	937
Cash and cash equivalents as at the beginning of the year (E)		1,052	115
Effects of exchange rate changes on cash and cash equivalents		0	0
Net increase in cash and cash equivalents		276	937
Cash and cash equivalents as at the end of the year [D+E]	12	1,328	1,052
Non-cash financing and investing activity			
Acquisition of right-of-use assets	3.2	394	184

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

As per our consolidated report of even date

For [Price Waterhouse & Co Chartered Accountants LLP](#)
Firm registration number: 304026E/E-300009

For and on behalf of the Board of Directors

[Dibyendu Majumder](#)
Partner
Membership number: 057687

[V K Viswanathan](#)
Chairman
DIN: 01782934
Place : Bengaluru

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Managing Director & Chief Executive Officer
DIN: 01802656
Place : Bengaluru

[Mital Sanghvi](#)
Company Secretary
Place : Bengaluru

[Pradeep Jain](#)
Executive Director & Chief Financial Officer
DIN: 02110401
Place : Bengaluru

Place : Bengaluru

Date : May 20, 2025

Date : May 20, 2025

Notes forming part of the consolidated financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

Group overview

United Spirits Limited (“the Holding Company” or “USL”) which is a public company domiciled and headquartered in Bengaluru, Karnataka, India, together with its subsidiaries and its controlled trust (collectively “the Group”). The Holding Company is incorporated under the Companies Act, 1956 and its shares are listed on the BSE Limited and National Stock Exchange of India Limited. It is engaged in the business of manufacture (including through third party manufacturing facilities), purchase and sale of beverage alcohol (including franchising of some of its brands in certain states), and other allied spirits. In addition, the Group has rights to operate sports franchise through Royal Challengers Sports Private Limited.

Consolidated financial statements includes the financial statements of the following subsidiaries controlled by the Holding Company:

- Royal Challengers Sports Private Limited
- Asian Opportunities and Investments Limited
- McDowell & Co. (Scotland) Limited
- Palmer Investment Group Limited
- Shaw Wallace Overseas Limited
- United Spirits (Great Britain) Limited
- United Spirits (UK) Limited
- USL Holdings Limited
- USL Holdings (UK) Limited

Trust controlled by the Holding Company

- USL Benefit Trust

The Holding Company, its Subsidiaries and the Trust controlled by the Holding Company together are referred to as the Group.

The consolidated financial statements also includes Group’s share of total comprehensive income (loss and other comprehensive income) of the following joint ventures: (refer note 4.1)

- Nao Spirits & Beverages Private Limited (w.e.f. from April 29, 2022) (30% interest on fully diluted basis)
- Inspired Hospitality Private Limited (w.e.f. from April 04, 2024) (15% interest on fully diluted basis)
- V9 Beverages Private Limited (w.e.f. from September 26, 2024) (15% interest on fully diluted basis)
- Indie Brews and Spirits Private Limited (w.e.f. from September 27, 2024) (25% interest on fully diluted basis)

These consolidated financial statements are approved for issue by the Board of Directors on May 20, 2025.

Note 1: Summary of material accounting policy information

1.1: Basis of preparation of consolidated financial statements

(i) Compliance with Ind AS

These consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the ‘Act’) [Companies (Indian Accounting Standards) Rules, 2015, as amended] and other relevant provisions of the Act.

Notes forming part of the consolidated financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

(ii) Going concern

These consolidated financial statements are prepared on a going concern basis unless the Holding Company management either intends to liquidate any entities within the Group or has no realistic alternative but to do so, in which case the financial statements of such entities are prepared and consolidated on a liquidation basis (i.e. "break up" basis).

(iii) Historical cost convention

These consolidated financial statements have been prepared on a historical cost basis, except for the following:

- defined benefits plans – plan assets are measured at fair value;
- share-based payments are measured at fair value; and
- investment in mutual funds is measured at fair value.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Act. Based on the nature of products and the time between the acquisition of asset for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current / non- current classification of assets and liabilities.

(iv) New and amended standards adopted

The Ministry of Corporate Affairs vide notification dated September 9, 2024 and September 28, 2024 notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024 and Companies (Indian Accounting Standards) Third Amendment Rules, 2024, respectively, which amended/ notified certain accounting standards, and are effective for annual reporting periods beginning on or after 1 April 2024:

- Insurance contracts - Ind AS 117; and
- Lease Liability in Sale and Leaseback – Amendments to Ind AS 116

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

The material accounting policy information related to preparation of the consolidated financial statements have been disclosed in the respective notes.

Note 2: Critical estimates and judgements

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual result. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

The areas involving critical estimates and judgements are:

- Estimation of provisions recognised and contingent liabilities disclosed in respect of tax matters – notes 9, 18, and 43;
- Impairment of trade receivables and other financial assets - notes 6, 11 and 32(A).

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Notes forming part of the consolidated financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

Useful life of franchise rights - IPL:

The Group holds perpetual franchise right for the Bengaluru team of IPL. The limited over version of the game which was first introduced in 1970s is continuing even now after 50 years and an even shorter version (20 overs) introduced in 2000s is more popular than the 50 overs format. Although the Management regards the useful life as indefinite, as a measure of prudence a useful life of 50 years/ IPL seasons is considered as appropriate and the rights are amortized over 50 years/ IPL seasons having regard to the following factors:

- The game of cricket has been in existence for over 100 years and there is no indication of interest in the game and the commercial prospects waning;
- The shorter version of the game is increasingly popular;
- The commercial exploitation of the shorter version is on an increasing scale and is expected to reach the scale which other games like soccer have reached;
- IPL and its teams have acquired brand status and teams are not identified with countries or geographies but with brand names; and
- The franchisees have the intent and ability to provide the necessary financial and other resources required to obtain the expected future economic benefits from this for at least 50 years.

The carrying value of the capitalized rights would be assessed for impairment at every balance sheet date.

Notes forming part of the consolidated financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

3.1 Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation, and impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Depreciation method, estimated useful lives and residual value

Depreciation is calculated using the straight-line method as per the estimated useful lives of assets as below:

Asset category	Useful life (in years)
Building	
- Roads	5
- Buildings	5 - 60
Plant and equipment	
- Wooden casks	7 - 15
- Others	5 - 15
Furniture and fittings	10
Office equipment	
- Computers	3
- Servers	3
- Others	5
Vehicles	5

Useful lives of asset classes determined by management estimate, which are different than those prescribed under Schedule II of the Act are supported by internal technical assessment of the useful lives. Estimated useful lives based on technical evaluation considers the impact of additional depreciation for working extra shifts.

Refer note 48.2 for other accounting policies relevant to property, plant & equipment.

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fittings	Office equipment	Vehicles	Total
Year ended March 31, 2024							
Gross carrying amount							
Opening	252	445	1,196	46	72	1	2,012
Additions	3	10	109	1	3	-	126
Disposals	-	(1)	(23)	(3)	(20)	-	(47)
Transfer to investment properties (refer note 3.5)	(113)	(85)	-	-	-	-	(198)
Closing gross carrying amount	142	369	1,282	44	55	1	1,893

Notes forming part of the consolidated financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

3.1 Property, plant and equipment(contd.)

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fittings	Office equipment	Vehicles	Total
Accumulated depreciation and impairment							
Opening	74	181	683	38	56	1	1,034
Depreciation charge during the year	0	19	92	3	7	0	121
Impairment during the year	-	10	9	1	-	-	20
Disposals	-	-	(18)	(3)	(19)	-	(40)
Transfer to investment properties (refer note 3.5)	(20)	(65)	-	-	-	-	(85)
Closing accumulated depreciation and impairment	54	145	766	39	44	1	1,049
Net carrying value as at March 31, 2024	88	224	516	5	11	-	844
Year ended March 31, 2025							
Gross carrying amount							
Opening	142	369	1,282	44	55	1	1,893
Additions	-	21	97	6	2	-	126
Disposals	-	(4)	(21)	(15)	(1)	-	(41)
Transfer to investment properties (refer note 3.5)	(23)	(16)	-	-	-	-	(39)
Closing gross carrying amount	119	370	1,358	35	56	1	1,939
Accumulated depreciation and impairment							
Opening	54	145	766	39	44	1	1,049
Depreciation charge during the year	-	17	88	3	5	-	113
Disposals	-	(4)	(21)	(14)	(1)	-	(40)
Transfer to investment properties (refer note 3.5)	(17)	(16)	-	-	-	-	(33)
Closing accumulated depreciation and impairment	37	142	833	28	48	1	1,089
Net carrying value as at March 31, 2025	82	228	525	7	8	-	850

Property, plant and equipment pledged as security

Refer to note 34 for information on property, plant and equipment pledged as security by the Group.

Contractual obligations

Refer note 42 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

3.2 Right-of-use assets and lease liabilities

As a lessee

The Group recognises a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

Notes forming part of the consolidated financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

- fixed payments (including in-substance fixed payments, for example arrangements that require payments based on agreed minimum production volumes)
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee’s incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the group:

- where possible, uses recent third-party financing as a starting point, adjusted to reflect changes in financing conditions since third party financing was received; and
- makes adjustments specific to the lease, e.g. term and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group uses that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset’s useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office equipment and furniture.

This note provides information for leases where the Group is a lessee. The Group has taken on lease land, offices, warehouses, plant & equipment and office equipment. Lease contracts are typically entered into for 30 years to 100 years for leasehold land and for periods of 11 months to 10 years for other categories, and may have extension options as described in note (c) below. Some of the leasing arrangements entered into by the Group include cancellable lease terms.

Notes forming part of the consolidated financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

(i) Amounts recognised in Consolidated Balance Sheet

Particulars	As at March 31, 2025	As at March 31, 2024
Right-of-use assets		
Leasehold land	5	5
Buildings	53	19
Plant and equipment	399	201
Office equipment	0	2
Total	457	227

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Movement in right-of-use assets during the year		
Opening	227	173
Additions / adjustments	394	184
Depreciation for the year (refer note 26)	(147)	(129)
Termination of leases	(17)	-
Transfer to investment properties	-	(1)
Closing	457	227
Lease liabilities		
Current	146	103
Non-current	334	137
Total	480	240

(ii) Amounts recognised in the Consolidated Statement of Profit and Loss

Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Depreciation charge of right-of-use assets	26		
- Leasehold land		-	0
- Buildings		16	9
- Plant and equipment		129	115
- Office equipment		2	5
Total		147	129
(b) Interest expenses (included in finance cost)	28	40	21
(c) Lease related expenses included in rent expenses	27		
Short term leases		8	14
Leases of low value assets		9	4
Variable lease payments (not included in lease liabilities)		228	182
Total		245	200

Notes forming part of the consolidated financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

(iii) The total cash outflow for leases for the year ended March 31, 2025 was ₹ 422 crores (2024: ₹ 347 crores).

Notes:

(a) Additions / adjustments to the right-of-use assets for the year ended March 31, 2025 aggregate to ₹ 394 Crores (2024: ₹ 184 crores).

(b) Variable lease payments

The Group has lease contracts for plant and equipment that contain variable payments. Variable lease payments that depend on production volumes are recognised in the Consolidated Statement of Profit and Loss in the period in which the condition that triggers those payments occurs. Any changes in production under contracts which includes variable lease payments, would have a proportionate impact on the variable lease payments. Certain agreements contain clauses for minimum production volumes and hence portion of lease payments in these agreements are ‘in-substance fixed’. “In-substance” fixed lease payments are included in the determination of the lease liabilities and consequently included in determining the value of right-of-use assets.

(c) Extension and termination options

Extension and termination options are included in a number of property and equipment leases. These are used to maximise operational flexibility in terms of managing the assets used in the Group’s operations. Management considers contractual terms and conditions, leasehold improvements undertaken, costs relating to termination of lease, incentives received from the Government (if any) and significance of the underlying asset to the Group’s operations in determining the lease term for the purpose of recognising/ measuring the lease liability.

3.3 Capital work-in-progress

Movement of capital work-in-progress(CWIP) set-out below:

Particulars	As at March 31, 2025	As at March 31, 2024
Opening	37	67
Additions	161	96
Assets capitalised during the year	(126)	(126)
Closing	72	37

The ageing schedule for CWIP is set-out below:

Particulars	As at March 31, 2025	As at March 31, 2024
Projects in progress		
Less than 1 year	64	24
1-2 years	-	9
2-3 years	7	2
More than 3 years	1	2
Total	72	37

Projects under suspension amounted to ₹ 1 crore (2024 : ₹ 1 crore).

Notes forming part of the consolidated financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

Expected completion timelines of CWIP projects whose completion is overdue or has exceeded its cost compared to its original plan is set-out below:

Particulars	As at March 31, 2025	As at March 31, 2024
Less than 1 year		
Health, Safety and Environment protection projects	-	1
Brand innovation projects	4	4
Support core growth projects	4	6
Productivity improvement projects	36	7
Others	6	9
Total	50	27
1-2 years		
Others	-	0

3.4 Intangible assets

Brands and licenses

Licenses acquired are carried at cost less accumulated amortisation and impairment losses, if any. Brands are regarded as having indefinite useful lives and are not amortised, but are assessed for impairment at every reporting date.

Computer software

Computer software acquired or developed are carried at cost less accumulated amortisation and impairment losses, if any. Costs associated with maintaining software programs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of customised computer software applications are recognised as intangible assets under development or intangible assets when ready for intended use, when the following criteria are met:

- a) it is technically feasible to complete the software so that it will be available for use,
- b) there is an ability to use or sell the software,
- c) it can be demonstrated that the software will generate probable future economic benefits,
- d) adequate technical, financial and other resources to complete the development and to use the software are available, and
- e) the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the customised software applications include employee costs and other directly attributable costs are amortised from the point at which the software asset is available for use.

Franchisee rights

A wholly owned subsidiary in the Group owns perpetual right to the Bengaluru Franchisee of “BCCI in Indian Premier League” (BCCI – IPL). Franchisee right acquired is carried at cost less accumulated amortisation and impairment losses, if any.

Notes forming part of the consolidated financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

Amortisation method and useful lives

The Group amortises intangible assets with finite useful life using the straight-line method over their estimated useful lives as follows:

Asset category	Useful life(years)
Licenses	Over the license period
Computer software	5 years
Franchisee rights	50 years/ IPL seasons

Refer note 48.3 for other accounting policy relevant to intangible assets.

Particulars	Other intangible assets				Total	Goodwill
	Brands	License	Computer software	Franchise rights [refer note (a) below]		
Year ended March 31, 2024						
Gross carrying amount						
Opening	11	1	69	400	481	119
Additions to internally developed intangible assets	-	-	18	-	18	-
Closing gross carrying amount	11	1	87	400	499	119
Accumulated amortisation and impairment						
Opening	11	1	38	75	125	118
Amortisation charge for the year	-	-	14	11	25	-
Closing accumulated amortisation and impairment	11	1	52	86	150	118
Net carrying value as at March 31, 2024	-	-	35	314	349	1
Year ended March 31, 2025						
Gross carrying amount						
Opening	11	1	87	400	499	119
Additions to internally developed intangible assets	-	-	2	-	2	-
Closing gross carrying amount	11	1	89	400	501	119
Accumulated amortisation and impairment						
Opening	11	1	52	86	150	118
Amortisation charge for the year	-	-	13	9	22	-
Closing accumulated amortisation and impairment	11	1	65	95	172	118
Net carrying value as at March 31, 2025	-	-	24	305	329	1

Notes:

- a) The Group has estimated the useful life of the IPL franchisee right to be 50 years/ IPL seasons based on the assessment performed. The actual useful life may be different depending on various circumstances. If the useful life were shorter by 5 years, the carrying amount of franchise right would be ₹ 266 crores (2024: ₹ 289 crores). If the useful life were longer by 5 years, the carrying amount would be ₹ 315 crores (2024: ₹ 333 crores)
- b) The carrying amount of franchise right will be amortized over the remaining period of 33 years/IPL seasons. (2024: 34 years/IPL seasons).
- c) Management has performed an impairment assessment and determined that no impairment of goodwill is required as at March 31, 2025.

Notes forming part of the consolidated financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

3.5 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, is classified as investment properties. Investment properties is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset’s carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment properties is replaced, the carrying amount of the replaced part is derecognised.

Movement of investment properties is set-out below:

Particulars	As at March 31, 2025	As at March 31, 2024
Gross carrying amount		
Opening	243	57
Transfer from property, plant and equipment	39	198
Transfer from right-of-use assets	-	2
Disposals	(83)	(14)
Closing gross carrying amount	199	243
Accumulated depreciation and impairment		
Opening	104	32
Transfer from property, plant and equipment	33	85
Transfer from right of use assets	-	1
Depreciation charge for the year	1	-
Depreciation and impairment on disposal	(14)	(14)
Closing accumulated depreciation and impairment	124	104
Net carrying amount	75	139

Estimation of fair value:

The Group obtains independent valuations for its investment properties. The best evidence of fair value is current prices in an active market for similar properties. When such information is not available, the Group considers information from a variety of sources including:

- a) current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences;
- b) discounted cash flow projections based on reliable estimates of future cash flows; and
- c) capitalised income projection based upon a property’s estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

The fair value of investment properties has been determined by a valuation expert who holds relevant professional qualification and experience. The market value of the investment properties has been assessed on an open market basis with the benefit of vacant possession. In the course of valuation, a direct comparison method has been adopted by making a reference to the relevant market transaction in land and building where the investment properties is located. The appropriate adjustments have been made in order to account for the differences between the subject property and comparable terms of time, floor level, view, condition, quality and facilities etc. All resulting fair value estimates for investment properties are included in level 3.

Notes forming part of the consolidated financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

Notes:

- (a) The Group periodically reviews the fair value of investment properties. Fair value of investment properties is ₹ 516 crores (2024: ₹ 485 crores).
- (b) There are restrictions on realisability of few investment properties.
- (c) There is no contractual obligation to purchase, construct or develop investment properties or for repairs, maintenance or enhancements.
- (d) Opening and closing cost of investment property includes payments below rounding off norms adopted by the Group towards fully paid shares held in a co-operative housing society for the purpose of acquiring the right of occupation in respect of which Group is in possession of photocopy of share certificate in co-operative society.

4.1 Investments in joint ventures

(carrying amount determined using the equity method of accounting)

Unquoted	As at March 31, 2025	As at March 31, 2024
Investments in equity Instruments (fully paid-up)		
Nao Spirits & Beverages Private Limited [refer note(i) below]		
[4,670 Equity shares (2024: 4,670) having face value of ₹ 10 each]		
Balance as at the beginning of the year	9	10
Acquired during the year	-	-
Share of total comprehensive income for the year	(6)	(1)
Balance as at the end of the year	3	9
Inspired Hospitality Private Limited [refer note(ii) below]		
[10 Equity shares (2024: Nil) having face value of ₹ 10 each]		
Balance as at the beginning of the year	-	-
Acquired during the year	0	-
Share of total comprehensive income for the year	(0)	-
Balance as at the end of the year	-	-
V9 Beverages Private Limited [refer note(ii) below]		
[10 Equity shares (2024: Nil) having face value of ₹ 10 each]		
Balance as at the beginning of the year	-	-
Acquired during the year	0	-
Share of total comprehensive income for the year	(0)	-
Balance as at the end of the year	-	-

Notes forming part of the consolidated financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

Unquoted	As at March 31, 2025	As at March 31, 2024
Indie Brews and Spirits Private Limited [refer note(ii) below]		
[10 Equity shares (2024: Nil) having face value of ₹ 10 each]		
Balance as at the beginning of the year	-	-
Acquired during the year	0	-
Share of total comprehensive income for the year	(0)	-
Balance as at the end of the year	-	-
Total investments in equity instruments (A)	3	9
Investments in compulsory convertible preference shares ("CCPS") (fully paid-up)		
Nao Spirits & Beverages Private Limited [refer note(i) below]		
[14,172 CCPS (2024: 14,172) having face value of ₹ 10 each]		
Balance as at the beginning of the year	35	37
Acquired during the year	-	-
Share of total comprehensive income for the year	-	-
Balance as at the end of the year	35	37
Inspired Hospitality Private Limited [refer note(ii) below]		
[3,494 CCPS (2024: Nil) having face value of ₹ 10 each]		
Balance as at the beginning of the year	-	-
Acquired during the year	6	-
Share of total comprehensive income for the year	(1)	-
Balance as at the end of the year	5	-
V9 Beverages Private Limited [refer note(ii) below]		
[1,972 CCPS (2024: Nil) having face value of ₹ 10 each]		
Balance as at the beginning of the year	-	-
Acquired during the year	2	-
Share of total comprehensive income for the year	(0)	-
Balance as at the end of the year	2	-
Indie Brews and Spirits Private Limited [refer note(ii) below]		
[4,016 CCPS (2024: Nil) having face value of ₹ 10 each]		
Balance as at the beginning of the year	-	-
Acquired during the year	5	-
Share of total comprehensive income for the year	(0)	-
Balance as at the end of the year	5	-
Total investments in CCPS (B)	47	37
Total investments in joint ventures (A+B)	50	46
Aggregate amount of unquoted investments	50	46

Notes forming part of the consolidated financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

Notes:

- (i) During the year ended March 2023, the Holding Company acquired the interest in Nao Spirits & Beverages Private Limited (“Nao Spirits”) by investing ₹ 32 crores by subscribing to 8,094 CCPS and 4,670 equity shares. During the previous year, the Holding Company infused additional amount of ₹ 15 crores by subscribing to 6,078 CCPS. The Holding Company holds 30% (2024: 30%) ownership interest on a fully diluted basis as at March 31, 2025. Management has considered Nao Spirits to be a joint venture since the Holding Company has joint control over its operating and financing decisions.

In accordance with the shareholder’s agreement, the Holding Company has a right (not an obligation) to purchase all or any of the shares held by promoters, existing investors and other shareholders upon occurrence of earlier of the Nao Spirits achieving the specified sales volume threshold or July 1, 2025. The exercise price of the call option as specified in the Shareholders’ agreement is equal to its fair value and shall be in accordance with applicable law, including the Foreign Exchange Management Act, 1999.

- (ii) During the current year, the Holding Company acquired the interests in below joint ventures and details are as follows:
- Inspired Hospitality Private Limited (‘Inspired Hospitality’) - Invested ₹ 6 crores by subscribing to 3,494 CCPS and 10 equity shares. The Holding Company holds 15% (2024: Nil) ownership interest on a fully diluted basis as at March 31, 2025.
 - V9 Beverages Private Limited (‘V9 Beverages’) - Invested ₹ 2 crores by subscribing to 1,972 CCPS and 10 equity shares. The Holding Company holds 15% (2024: Nil) ownership interest on a fully diluted basis as at March 31, 2025.
 - Indie Brews and Spirits Private Limited (‘Indie Brews & Spirits’) - Invested ₹ 5 crores by subscribing to 4,016 CCPS and 10 equity shares. The Holding Company holds 25% (2024: Nil) ownership interest on a fully diluted basis as at March 31, 2025.

Management has considered the investments to be joint ventures since the Holding Company has joint control over its operating and financing decisions.

4.2 Investments - current

(i) Debt instruments:

On initial recognition, the debt instruments are measured at fair value. Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the cash flow characteristics of the asset.

- Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.
- Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI.
- Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss.

(ii) Investment in mutual funds:

On initial recognition, these are measured at fair value, and subsequently, carried at fair value through profit and loss.

Details of the investments are as mentioned below:

Particulars	As at March 31, 2025	As at March 31, 2024
Quoted		
Money market funds at fair value	773	499
Treasury bills at amortized cost	100	100
Total current investments	873	599
Aggregate amount of quoted investments	873	599
Aggregate market value of quoted investments	873	599

Notes forming part of the consolidated financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

5 Loans

Particulars	As at March 31, 2025		As at March 31, 2024	
	Current	Non-current	Current	Non-current
Loan to UBHL and related entities [refer note 41(A)(d)]	-	1,238	-	1,238
Loan to joint venture [refer note 37(c)(iv)]	18	-	-	-
Loans to employees	2	-	1	-
Loan to others	2	-	9	-
	22	1,238	10	1,238
Less: Loss allowance				
Loan to UBHL and related entities [refer note 41(A)(d)]	-	(1,238)	-	(1,238)
	-	(1,238)	-	(1,238)
Total loans	22	-	10	-

Particulars	As at March 31, 2025	As at March 31, 2024
Details of securities/ categorisation of credit risk on loans		
Loans considered good- secured	20	9
Loans considered good- unsecured	2	1
Loans- credit impaired	1,238	1,238
Total	1,260	1,248
Less: Loss allowance	(1,238)	(1,238)
Total loans	22	10

Refer note 32 for information about financial risk management.

6 Other financial assets

Particulars	As at March 31, 2025		As at March 31, 2024	
	Current	Non-current	Current	Non-current
Balances with banks [refer note (i) below]	-	46	-	46
Term deposit with bank with remaining maturity period more than 12 months	-	273	-	-
Receivable from related parties [Refer note 37(c)(i)]	2	-	1	-
Receivable from Tie-up manufacturing units	60	7	7	25
Government grant	8	72	16	72
Security deposits	15	17	13	17
Other receivables [refer note (ii) below]	172	13	1	14
	257	428	38	174

Notes forming part of the consolidated financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Current	Non-current	Current	Non-current
Less: Loss allowance				
Receivable from Tie-up manufacturing units	-	(7)	-	(25)
Government grant	-	(15)	-	(15)
Security deposits	-	(9)	-	(9)
Other receivables	(1)	(13)	(1)	(14)
	(1)	(44)	(1)	(63)
Total other financial assets	256	384	37	111

Notes :

- (i) Balances with banks comprise of:

(a) Deposit of ₹ 46 crores (2024: ₹ 46 crores) as at March 31, 2025 with a bank in suspense account (refer note 41A(e)).

(b) Represents bank deposits under lien in respect of bank guarantees provided to tax authorities are ₹ 0 crores (2024: ₹ 0 crores).
- (ii) Other receivables includes cheques on hand of ₹ 170 crores (2024 : Nil) which was encashed on April 2, 2025.

Refer note 32 for information about financial risk management.

7 Deferred tax assets (net)

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax assets		
Allowance for doubtful receivable balances	65	71
Expenses allowed on payment basis	96	86
Carried forward tax losses and unabsorbed depreciation	-	0
Indexation benefit on land	-	11
Lease liabilities	121	60
Others	24	24
	306	252
Deferred tax liabilities		
Difference between carrying amount and tax base of property, plant and equipment, investment properties and intangible assets	109	92
Right-of-use assets	114	56
	223	148
	83	104
Deferred tax assets (net)	155	177
Deferred tax liabilities (net)	72	73

Notes forming part of the consolidated financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

Movement in deferred tax assets

Particulars	Doubtful receivable balances	Expenses allowed on payment basis	Carried forward tax losses and unabsorbed depreciation	Indexation benefit on land	Difference between carrying amount and tax base of property, plant and equipment, investment properties and intangible assets	Right-of-use assets	Lease liabilities	Others	Total
At March 31, 2023	61	77	29	7	(91)	(25)	30	24	112
(Charged) / credited:									
- to profit and loss	10	8	(29)	4	(1)	(31)	30	(0)	(9)
- to other comprehensive income	-	1	-	-	-	-	-	-	1
At March 31, 2024	71	86	0	11	(92)	(56)	60	24	104
(Charged) / credited:									
- to profit and loss	(6)	9	(0)	(11)	(17)	(58)	61	0	(22)
- to other comprehensive income	-	1	-	-	-	-	-	-	1
At March 31, 2025	65	96	-	-	(109)	(114)	121	24	83

Note: The Group has recognised deferred tax asset on brought forward capital loss which has been used to settle current tax on sale of a land which occurred during the year.

8 Income tax balances

Particulars	As at March 31, 2025	As at March 31, 2024
Current tax liabilities (net of advance tax of ₹ 111 crores (2024: ₹ 138 crores))	380	332
Current tax assets (Non-current) (net of provision for current tax of ₹ 544 crores (2024: ₹ 432 crores))	1,115	1,358

Note:

- (a) The above balances include amounts paid under protest of ₹ 1,191 crores (2024: ₹ 1,481 crores) pertaining to various assessment years.

9 Other assets

Particulars	As at March 31, 2025		As at March 31, 2024	
	Current	Non-current	Current	Non-current
Capital advances (refer note (ii) below)				
Considered good	-	8	-	6
Balances with government authorities (refer note (i) below)				
Considered good	89	189	122	182
Considered doubtful	16	14	25	18
Advances to suppliers				
Considered good	79	-	76	-
Considered doubtful	-	82	-	84
Net surplus in gratuity plan [refer note 39(b)C]	-	21	-	30
Pre-paid expenses	138	-	145	-
	322	314	368	320
Less: Loss allowance	(16)	(96)	(25)	(102)
Total other assets	306	218	343	218

Notes forming part of the consolidated financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

Notes:

- (i) Balance with government authorities includes:

(a) ₹ 124 crores (2024: ₹ 123 crores) paid under protest in respect of disputed indirect tax matters; and

(b) ₹ 10 crores (2024 : ₹ 5 crores) paid under protest in respect of water charges (refer note 18)
- (ii) Capital advances considered good includes an amount of ₹ 2 crores (2024 : ₹ 2 crores) being advance paid towards purchase of land pursuant to an “agreement to sell” entered by the Holding Company with the owners of the land. This matter is currently litigated at the High Court of Bombay.

10 Inventories

Raw materials and stores and spares, work in progress, stock-in-trade and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and stock-in-trade comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost is computed on a weighted average basis. Excise duty, as applicable, is included in the valuation.

Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Particulars	As at March 31, 2025	As at March 31, 2024
Raw materials	647	472
[including materials in transit ₹ 82 crores (2024: ₹ 82 crores)]		
Work-in-progress [refer note (a) below]	534	636
Finished goods	694	500
[including goods in transit ₹ 75 crores (2024: ₹ 56 crores)]		
Stock-in-trade	252	266
[including goods in transit ₹ 95 crores (2024: ₹ 64 crores)]		
Packing materials	163	172
[including materials in transit ₹ 0 crores (2024: ₹ 8 crores)]		
Stores and spares	15	17
Total inventories	2,305	2,063

Notes:

- (a) Allowance for obsolete inventories (net) for the year amounting to ₹ (2) crores (2024: ₹ 67 crores) has been recognised as an (credit)/charge during the year and is included in cost of materials consumed and change in inventories of finished goods, work-in-progress and stock-in-trade in the Consolidated Statement of Profit and Loss.
- (b) Inventories include inventory held by tie up manufacturing units amounting to ₹ 74 crores (2024: ₹ 82 crores).

Notes forming part of the consolidated financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

11 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflect the Group’s unconditional right to consideration (that is, payment is due only on the passage of time).Trade receivables are recognised initially at the transaction price unless it contains a significant financing component, in which case it is recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance. For trade receivables, the Group applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Particulars	As at March 31, 2025		As at March 31, 2024	
	Current	Non-current*	Current	Non-current
From contract with customers - related parties [refer note 37(c)(ii)]	0	-	2	-
From contract with customers - others	3,592	340	3,227	365
	3,592	340	3,229	365
Less: Loss allowance	(182)	-	(173)	-
Total trade receivables	3,410	340	3,056	365
Details of securities/ categorisation of credit risk of trade receivables				
Trade receivables considered good- unsecured	3,592	340	3,229	365
Total	3,592	340	3,229	365
Less: Loss allowance	(182)	-	(173)	-
Total trade receivables	3,410	340	3,056	365

Note:

- (a) Refer note 32 for information about financial risk management.

* Balance as at March 31, 2025 includes financing component of ₹ 25 crores. Also, refer note 41(B) for details.

Trade receivables ageing schedule is set-out below:

Particulars	As at March 31, 2025	As at March 31, 2024
Undisputed - considered good		
Unbilled dues	109	94
Not due	2,537	2,298
Less than 6 months	346	731
6 months -1 year	451	20
1-2 years	52	22
2-3 years	10	8
More than 3 years	28	23
Sub-total	3,533	3,196
Disputed - considered good		
Unbilled dues	-	-
Not due	-	218
Less than 6 months	-	148
6 months -1 year	191	4

Notes forming part of the consolidated financial statements

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Particulars	As at March 31, 2025	As at March 31, 2024
1-2 years	175	7
2-3 years	10	4
More than 3 years	23	17
Sub-total	399	398
Total	3,932	3,594
Less: Loss allowance	(182)	(173)
Total trade receivables	3,750	3,421

12 Cash and cash equivalents

Cash and cash equivalents includes cash on hand and balances with banks that are readily convertible to known amounts of cash and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Highly liquid investments includes overnight and liquid mutual funds which the Group has intention to hold for very short period of time to manage day to day cashflow requirements.

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with banks		
In current account	80	99
Term deposits with original maturity of less than three months [refer note (a)]	354	397
Other cash equivalents		
Overnight and liquid mutual funds	599	547
Cheques on hand	-	9
Unpaid dividend accounts (earmarked)	295	0
Total cash and cash equivalents	1,328	1,052

Note:

(a) Includes ₹ 40 crores (2024 : ₹ Nil) being term deposit with banks held under lien.

13 Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
In unpaid public deposit accounts [refer note (a) below]	0	0
Bank deposits due to mature within 12 months from the reporting date [refer note (b) below]	706	219
	706	220
Less : Loss allowance	(4)	(3)
Total bank balances other than cash and cash equivalents	702	217

Notes:

a) Includes ₹ 0 crores (2024: ₹ 0 crores) transferred to a separate non-interest bearing escrow account pertaining to unclaimed public deposits which had matured in earlier years and for which duly discharged deposit receipts were not received from deposit holders.

b) Includes ₹ 5 crores (2024: ₹ 7 crores) being term deposits with banks held under lien.

Notes forming part of the consolidated financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

14 Equity share capital

Particulars	As at March 31, 2025	As at March 31, 2024
Authorised		
2,82,75,00,000 equity shares of ₹ 2/- each (2024: 2,82,75,00,000 equity shares of ₹ 2/- each)	565	565
17,37,00,000 preference shares of ₹ 10/- each (2024: 17,37,00,000 preference shares of ₹ 10/- each)	174	174
	739	739
Issued, subscribed and paid-up		
72,73,50,853 equity shares of ₹ 2/- each (2024: 72,73,50,853 equity shares of ₹ 2/- each) fully paid up	145	145
	145	145

(a) Reconciliation of the number of shares outstanding

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	72,73,50,853	145	72,73,50,853	145
Add: Equity shares issued during the year	-	-	-	-
Balance at the end of the year	72,73,50,853	145	72,73,50,853	145

(b) Rights, preferences and restrictions attached to equity shares

The Holding Company has one class of equity shares having a face value of ₹ 2/- per share. Each holder of the equity shares is entitled to 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, except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Holding Company after distribution of all preferential amounts, if any in proportion to their holdings.

(c) Shares held by USL's holding / ultimate holding company

Out of the equity shares issued by the Holding Company, shares held by USL's holding company are as below:

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
Diageo Relay B.V. (wholly owned subsidiary of Diageo Plc.) [refer note (i) below]	40,64,47,245	81	40,64,47,245	81
Total	40,64,47,245	81	40,64,47,245	81

(d) The Holding Company has not issued any shares for consideration other than cash during the period of five years immediately preceding the reporting date except for 7,12,138 shares allotted to the non-controlling shareholders of Pioneer Distilleries Limited (PDL) as a result of amalgamation during the year ended March 31, 2023.

Notes forming part of the consolidated financial statements

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

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	% of holding	No. of shares	% of holding
Diageo Relay B.V. [refer note (i) below]	40,64,47,245	55.88%	40,64,47,245	55.88%

- (f) There are no shares reserved for issue under options and contracts / commitments for the sale of shares.
- (g) There are no bonus shares issued or bought back during the period of five years immediately preceding the reporting date.

(h) Details of shares in the Holding Company held by subsidiaries, joint ventures or trusts controlled by Holding Company

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	% of holding	No. of shares	% of holding
USL Benefit trust [refer note (j) below]	1,72,95,450	2.38%	1,72,95,450	2.38%

- (i) On December 20, 2013, the Honorable Karnataka High Court passed an order in the matter involving United Breweries (Holdings) Limited (UBHL) and its creditors and the Diageo Plc. setting aside an earlier leave order which permitted UBHL to sell 1,01,41,437 equity shares on ₹ 10 each (prior to the face value of the shares being split from ₹ 10 each to ₹ 2 each during the year ended March 31, 2019) in the Holding Company to Diageo Relay B.V. (formerly known as Relay B.V.), pending disposal of the winding up petitions against UBHL. On the above matter, UBHL and Diageo plc. have approached the Honorable Supreme Court by way of special leave petitions (SLPs) challenging the order of the division bench. Pending, disposal of the above SLPs, the Honorable Supreme Court has directed that status quo be maintained in respect of the above mentioned transaction of sale of shares to Diageo Relay B.V. Such shares are included in arriving at Diageo Relay B.V.'s shareholding in the Holding Company.
- (j) Investment as a sole beneficiary in USL Benefit Trust (the 'Trust') was made as per the terms of composite scheme of arrangement approved by the Honourable High Court of Karnataka and High Court of Bombay, upon amalgamating various companies with United Spirits Limited. The Trust has been established for the exclusive benefit of the Holding Company and holds 1,72,95,450 equity shares of ₹ 2 face value (2024: 1,72,95,450 equity shares of ₹ 2 face value) of the Holding Company. As per the terms of the aforesaid scheme of arrangement, the Group has carried this investment at the aggregate of book value as per the books of the concerned transferor companies. Also refer note 34(b) for assets pledged and note 41A(e).

(k) Disclosure of shareholding of promoters

Name of promoter	As at March 31, 2025		As at March 31, 2024		% change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
Diageo Relay B.V.	40,64,47,245	55.88%	40,64,47,245	55.88%	-
United Breweries Holdings Limited	55,55,265	0.76%	55,55,265	0.76%	-
Vijay Mallya	62,550	0.01%	62,550	0.01%	-
Vittal Investments Private Limited	1,56,350	0.02%	1,56,350	0.02%	-
Total	41,22,21,410	56.67%	41,22,21,410	56.67%	-

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15 Reserves and surplus

Particulars	As at March 31, 2025	As at March 31, 2024
Capital reserve	568	568
Capital redemption reserve	70	70
Securities premium account	4,568	4,568
Treasury shares	(120)	(120)
Central subsidy	5	5
Share based incentive reserve	1	1
Foreign currency translation reserve	20	18
Contingency reserve	11	11
General reserve	1,041	1,041
Retained earnings	1,795	814
Total reserves and surplus	7,959	6,976

Nature and purpose of reserves:

- a) **Capital reserve:** Created pursuant to a Scheme of Amalgamation between the Holding Company and SW Finance Co. Limited, sanctioned by the Honourable High Court of Karnataka and Honourable High Court of Bombay under the orders dated June 12, 2015 and August 28, 2015, respectively.
- b) **Capital redemption reserve:** Capital Redemption Reserve is created for an amount equivalent to the nominal value of shares redeemed in earlier years by the Holding Company (including the erstwhile companies that were merged with the Holding Company through several schemes of amalgamations / mergers).
- c) **Securities premium account:** Securities premium account is credited when shares are issued at premium. The balance is utilised in accordance with the provisions of the Act.
- d) **Treasury shares:** Pursuant to the terms of composite scheme of arrangement approved by the Honourable High Courts of Karnataka and Bombay, upon amalgamating various companies with Holding Company, USL Benefit Trust (of which the Holding Company is the sole beneficiary) held 1,72,95,450 (post - split) shares in the Holding Company (own shares). As per the term of the aforesaid scheme of arrangement, the Holding Company has carried the aggregate value of such shares as per the books of the concerned transferor companies as investment in its Standalone Financial Statements. For the purpose of Consolidated Financial Statements such investment has been shown as treasury shares.
- e) **Central subsidy:** The balance is taken over on amalgamation of Shaw Wallace Distilleries Limited with the Holding Company during the year ended March 31, 2006 as per the terms of the arrangement approved by the Honorable High Courts of Karnataka and Bombay.
- f) **Share based incentive reserve :** The share-based incentive reserve is used to recognise grant date fair value of Diageo Plc's share options issued under the Diageo Plc's share-based payment arrangement. Recharges under this arrangement are debited to this reserve.
- g) **Foreign currency translation reserve:** Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income and accumulated in this separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment in a foreign operation is disposed off.

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- h) **Contingency reserve:** The balance is taken over on amalgamation of McDowell Spirits Limited with the Holding Company during the year ended March 31, 2001 as per the terms of the arrangement approved by the Honorable High Court of Karnataka.
- i) **General reserve:** The general reserve is created by way of transfer of profits from retained earnings for appropriation purposes. This reserve is utilised in accordance with the provisions of the Act.
- j) **Retained earnings:** Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

16 Borrowings

Borrowings	Maturity date	Terms of repayment	Coupon/ interest rate	As at March 31, 2025	As at March 31, 2024
Non-current					
Unsecured					
Sales tax deferment liability [refer note (a) below]	April 21, 2024	Repayable in five equal annual instalments (2019-20 to 2024-25)	12% p.a.	-	0
				-	0
Less: Current maturities of deferred sales tax liability				-	0
Total non-current borrowings				-	-
Current					
Unsecured					
Working capital loans from bank [refer note (b) below]	Payable on demand	Payable on demand	8.5% p.a.	-	25
Total				-	25
Add: Current maturities of deferred sales tax liability				-	0
Total current borrowings				-	25
Total borrowings				-	25

Notes:

- a) Sales tax collected under deferral scheme of State Government of Maharashtra for 11 years (from 1999-00 to 2009-10) and was repayable in 5 equal annual installments with final installment paid on April 21, 2024.
- b) **Loan from bank:** The Group had obtained working capital loans from bank (ICICI bank) at an interest rate ranging from 7.95% to 8.5% (2024: 8.5%). The loans along with interest were repaid during the year.

c) Net debt reconciliation

(i) Net debt summary:

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
Current borrowings	16	-	25
Lease liabilities	3.2	480	240
Total debt		480	265
Less: Cash and cash equivalents	12	1,328	1,052
Net debt/ (cash)		(848)	(787)

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(ii) Movements in net debt:

Particulars	Lease liabilities	Sales tax deferment	Working capital loans	(Less) cash and cash equivalents	Net debt/ (cash)
Net debt/ (cash) as on April 1, 2023	182	1	-	(115)	68
Acquisition- leases (net)	184	-	-	-	184
Net proceeds from / (repayment of) borrowings	-	-	25	-	25
Interest expense (refer note 28)	21	-	-	-	21
Interest paid	(21)	-	-	-	(21)
Principal lease payments	(126)	-	-	-	(126)
Repayment of debt	-	(1)	-	-	(1)
Cash outflows / (inflows)	-	-	-	(937)	(937)
Net debt/ (cash) as at March 31, 2024	240	0	25	(1,052)	(787)
Acquisition- leases (net)	377	-	-	-	377
Net proceeds from / (repayment of) borrowings	-	-	(25)	-	(25)
Interest expense (refer note 28)	40	-	-	-	40
Interest paid	(40)	-	-	-	(40)
Principal lease payments	(137)	-	-	-	(137)
Repayment of debt	-	(0)	-	-	(0)
Cash outflows / (inflows)	-	-	-	(276)	(276)
Net debt/ (cash) as at March 31, 2025	480	-	-	(1,328)	(848)

17 Other financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Unpaid / unclaimed dividends (refer note (a) below)	4	0
Dividend payable	284	-
Others		
Due to Tie-up manufacturing units	17	43
Capital creditors	24	20
Employee benefits payables	108	100
Others	40	113
Total other financial liabilities	477	276

Note:

- (a) As at March 31, 2025 no balances are due to be transferred to IEPF (2024: Nil)

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(All amounts in ₹ crores unless otherwise stated)

18 Provisions

Particulars	As at March 31, 2025		As at March 31, 2024	
	Current	Non-current	Current	Non-current
Employee benefits				
Compensated absences [refer note (iii) below]	38	-	33	-
Pension liability [refer note 39(b)C]	-	-	0	-
Share appreciation rights [refer note 35]	10	16	29	15
Provision for indirect tax and other legal matters [refer note (a), (i) and (ii) below]	327	-	306	-
Commitment towards “Raising the Bar” programme [refer note (b) below]	-	-	0	-
Total provisions	375	16	368	15

Notes:

(a) Movement in provisions for indirect taxes and other legal matters :

Particulars	As at March 31, 2024	Additions/ (amounts written back)	Amounts utilised	As at March 31, 2025
Indirect taxes and other legal matters [refer (i) & (ii) below]	306	22	(1)	327

(b) Movement in commitment towards “Raising the Bar” programme :

Particulars	As at March 31, 2024	Additions/ (amounts written back)	Amounts utilised	As at March 31, 2025
Commitment towards “Raising the Bar” programme	0	-	(0)	-

Notes :

- (i) Provision for indirect tax and other legal matters includes provision for water charges in the State of Maharashtra. The Holding Company has filed petition before the High Court of Bombay, challenging multiple demands raised by Water Resources Department, State of Maharashtra, levying additional water charges and an interim relief against any coercive steps has been received .The Holding Company has received further demands from the said Department levying water charges at a higher rate along with penalties for the period November 2018 to March 2025. Based on a legal opinion obtained, Management has determined that the provision recorded in the books represents probable cash outflows on account of additional water charges. Any further cash outflows in addition to the provision amount on account of this matter are considered remote.
- (ii) Provision is made for probable cash outflow arising out of pending or potential indirect tax disputes / litigations. It is not practicable for the Group to estimate the timing of the cash outflows, if any, in respect of the above, pending resolution of respective proceedings. Refer note 9 for payments made under protest in respect of indirect tax and other legal matters.
- (iii) The entire amount of provision for compensated absences is presented as current, since the Group does not have an unconditional right to defer settlement of these obligations beyond a period of 12 months from the Consolidated Balance Sheet date. However, based on past experience, the Group does not expect all employees to avail the full amount of accrued leave or require payment within the next 12 months. The amount of compensated absences not expected to be settled within next 12 months amounts to ₹ 31 crores (2024: ₹ 26 crores).

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19 Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Dues to micro and small enterprises	75	70
Dues to creditors other than micro and small enterprises		
Dues to related parties [refer note 37(c)(iii)]	353	228
Others	1,811	1,656
	2,164	1,884
Total trade payables	2,239	1,954

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Undisputed dues - micro and small enterprises		
Unbilled	14	6
Not due	53	52
Less than 1 year	8	11
1-2 years	0	0
2-3 years	0	0
More than 3 years	0	1
Sub-total	75	70
(ii) Undisputed dues - others		
Unbilled	1,234	974
Not due	752	562
Less than 1 year	165	331
1-2 years	4	7
2-3 years	4	2
More than 3 years	5	8
Sub-total	2,164	1,884
Total	2,239	1,954

20 Other current liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Contract liabilities [refer note below]	132	39
Statutory liabilities	429	451
Liability for taxes on closing inventory (net of prepaid taxes)	544	355
Total other current liabilities	1,105	845

Note:

The Group has made sales and has recognised revenue amounting to ₹ 39 crores (2024: ₹ 88 crores) during the year from advance from customers outstanding as at the beginning of the year. It similarly expects to recognise revenue in year 2025-26 from the closing balance of advance from customers as at March 31, 2025.

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21 Revenue from operations

Revenue comprises revenue from contracts with customers for sale of goods and income from brand franchisee royalties receivable. Revenue from sale of goods is inclusive of excise duties, as applicable, and is net of returns, trade allowances, rebates, value added taxes and such amounts collected on behalf of third parties.

Revenue is recognised as and when performance obligations are satisfied by transferring goods or services to the customer, as below:

a. Revenue from sale of products:

Revenue is recognised on transfer of control, being on dispatch of goods or upon delivery to customer, in accordance with the terms of sale.

b. Revenue from manufacture and sale of products from tie-up manufacturing arrangements:

The Group has entered into arrangements with Tie-up Manufacturing Units (TMUs), where-in TMUs manufacture and sell beverage alcohol on behalf of the Group. Under such arrangements, the Group has exposure to significant risks and rewards in such arrangements i.e. it has the primary responsibility for providing goods to the customer, has pricing latitude and is also exposed to inventory and credit risks. The Group is considered to be a principal in such arrangements with TMUs. Accordingly, the transactions of the TMUs under such arrangements have been recorded as gross revenue, excise duty and expenses as if they were transactions of the Group. The Group presents inventory held by the TMUs under such arrangements as its own inventory. The net receivables from/ payable to TMUs are recognised under other financial assets/ other financial liabilities respectively.

c. Income from brand franchise arrangements:

Revenue in respect of fixed income brand franchise arrangements is recognised proportionately in each period. Income from variable franchise arrangements is recognised based on the terms of the respective contracts upon sale of products by the franchisees.

d. Revenue from BCCI-IPL and WPL franchise arrangements:

One of the principal activity of the Group is that of a franchisee playing in the cricket leagues organised by the Board of Control for Cricket in India (BCCI). The Group has determined that it is a principal in all its revenue contracts. Revenue is measured at the amount of transaction price based on the consideration received or receivable as per the contracts with customers.

The revenues from BCCI-IPL and WPL franchise arrangements can be broadly categorised into ‘Central rights revenue’ earned from BCCI participating in the cricket leagues, and sponsorship revenue and other commercial revenue earned from exploiting the franchisee rights:

Central Rights revenue – The Group considers BCCI as its customer in relation to Central rights revenue, which represents the revenue earned by the Group for participating in cricket leagues. Central rights revenue is by specific agreements with BCCI. The Group receives a share of the net receipts of each season earned by BCCI for participating in the cricket leagues, Central rights revenue for each league season is recognised on an estimated basis, to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Such revenue is pro-rated for matches played during the year as against the total number of matches playable for the season.

The Group earns play-off revenue from BCCI when it qualifies for additional matches (based on the league ranking) in the cricket league. Play-off revenue is recognised when such matches are played.

Commercial revenue earned from exploiting the franchisee rights:

- Sponsorship and other similar revenue is recognised over the league season, based on number of matches played and terms of contracts with the customers.
- Royalty and licensing revenue is received from customers for usage of the Group’s brand name. Revenue is recognised over time based on the terms of contracts with the customers.
- Revenue from sale of tickets for home league matches and events is recognised as and when the matches are played and events are conducted.
- Fee received for transfer of players to another franchisee is recognised when the Group transfers control of rights on the player.

Notes forming part of the consolidated financial statements

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Sponsorship income, royalty and licensing fee – The Group receives sponsorship revenue for displaying sponsor’s logo/ brand on the players jersey, company website etc. Royalty and licensing revenue is received from customers for usage of RCB brand name, RCB logo, player photograph etc. Revenue from sponsorship and royalty and licensing contracts are recognised over the period of IPL/WPL league season, based on number of matches played, which corresponds with the period of service.

Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues are reflected in the Consolidated Statement of Profit and Loss in the period in which the circumstances that give rise to the revision become known to the management.

Contract assets are in the nature of unbilled receivables where the Group has partially satisfied the performance obligation and hence does not have an unconditional right to consideration. Where the Group has an obligation to transfer goods or services to a customer for which the Group has received consideration from the customer in advance, a contract liability is recognised.

The Group does not have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from contracts with customers:		
Sale of products (including excise duty)	26,640	25,251
Revenue from brand franchise arrangements	84	76
Revenue from central rights, sponsorship, sale of tickets and others [refer notes below]	496	629
	27,220	25,956
Other operating revenue:		
Sales of scrap and by-products	42	51
Miscellaneous	14	11
	56	62
Total revenue from operations	27,276	26,018

Notes:

- (a) Revenue from operations does not include prize money and other player awards amounting to ₹ 9 crores (2024: ₹ 7 crores) collected from BCCI and other IPL franchises and distributed to concerned players.
- (b) Central rights revenue includes ticketing revenue received from BCCI amounting to ₹ Nil crores (2024 : ₹ 8 crores)
- (c) Aggregate amount of transaction price allocated to sponsorship revenue that is partially unsatisfied at March 31, 2025 amounted to ₹ 117 crores (2024: ₹ 98 crores). Unsatisfied performance obligations are contractually due to be satisfied within a period of 1 year from the balance sheet date. In the absence of communication from the BCCI regarding share of central right revenue, no amount has been disclosed in relation to the performance obligations under the central rights contract that are unsatisfied at March 31, 2025.

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(d) Reconciliation between contract price and revenue recognised

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Contract price	28,859	27,413
Less: Items offset against revenue from customers as required by Ind AS 115	(1,639)	(1,457)
Revenue from contracts with customers	27,220	25,956

(e) Disaggregation of revenue and payments made to customers:

(I) At Group level :

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(i) Categories of sale of products		
Prestige and above	10,270	9,345
Popular	1,121	1,113
Others	126	172
Add: Excise duty collected from customers	15,207	14,697
	26,724	25,327
(ii) Category of services - revenue from BCCI-IPL and WPL franchise arrangements		
Central rights revenue	329	422
Sponsorship revenue	119	117
Play-off fee	4	6
Revenue from sale of tickets	40	61
Transfer fee	0	-
Royalty and licensing fee	4	23
	496	629
Total	27,220	25,956

II) In relation to IPL:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Gross revenue	607	770
Less: Franchisee fees paid/ payable to BCCI	(122)	(156)
	485	614
Presented under:		
Revenue from operations	485	614
	485	614

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III) In relation to WPL:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Gross revenue	40	40
Less: Franchisee fees paid/ payable to BCCI	(90)	(90)
	(50)	(50)
Presented under:		
Revenue from operations	12	15
Operational expenses	(62)	(65)
	(50)	(50)

Franchisee fee paid to BCCI (net of central rights income received from BCCI), amounting to ₹ 62 crores (2024: 65 crores) for WPL is recognised as an expense for the period ended March 31, 2025.

22 Other income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest income on term deposits and investments held at amortised cost	59	42
Interest income on direct and indirect tax refunds	48	88
Interest income from loan to a joint venture held at amortised cost [refer note 37(b)(iv)]	1	-
Gain on disposal of property, plant and equipment (net)	99	12
Profit on redemption of mutual fund units	74	47
Increase in fair value of current investments (net)	16	18
Bad debts / advances recovered	1	4
Miscellaneous income	38	14
Total other income	336	225

23 Cost of materials consumed

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Raw materials	3,315	3,262
Packing materials	2,128	1,992
Total cost of materials consumed	5,443	5,254

Notes forming part of the consolidated financial statements

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24 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening inventory:		
Finished goods	500	550
Work-in-progress	636	602
Stock-in-trade	266	390
Total opening balance (A)	1,402	1,542
Closing inventory:		
Finished goods	694	500
Work-in-progress	534	636
Stock-in-trade	252	266
Total closing balance (B)	1,480	1,402
Increase / (decrease) in excise duty on finished goods (net) (C)	168	(21)
Total changes in inventories of finished goods, work-in-progress and stock-in-trade (A-B+C)	90	119

25 Employee benefits expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, wages and bonus	527	440
Contribution to provident and other funds [refer note 39(a)]	21	23
Defined benefit plans [refer note 39(b)D]	6	10
Share based payment expense [refer note 35]	17	37
Staff welfare expenses	38	37
Total employee benefits expense	609	547

26 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation / impairment of properties, plant and equipment (refer note 3.1 & 3.5)	114	121
Depreciation of right-of-use assets (refer note 3.2)	147	129
Amortisation of intangible assets (refer note 3.4)	22	25
Total depreciation, amortisation and impairment expense	283	275

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27 Other expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Operational expenses relating to BCCI-IPL and WPL franchises [refer note b below]	288	316
Sub-contracting charges	79	83
Power and fuel	19	18
Rent [refer note 3.2]	245	200
Repairs and maintenance	65	66
Rates and taxes	152	148
Travel and conveyance	48	47
Legal and professional	120	101
Auditor's remuneration (refer note a below)	7	7
Freight and sales distribution charges	433	415
Royalty [refer note 37(b)(vii)]	12	11
Remuneration to non-executive directors		
Sitting fee	1	0
Commission	4	2
Allowance for trade receivables, other financial assets and other assets (net)	(9)	41
Expense towards corporate social responsibility	28	19
Miscellaneous expenses	198	202
Total other expenses	1,690	1,677
Note:		
(a) Auditor's remuneration*		
Statutory audit	3	2
Quarterly reviews	1	1
Certifications	0	0
Other assurance related services	3	3
Total payment to auditors	7	7
* Excluding goods and services tax		
(b) Operational expenses relating to BCCI-IPL and WPL franchises includes:		
Franchisee fee (net of revenue)	62	65
Players and support staff fees	141	142
Per diem allowances to players and support staff	4	4
Stadium rent	5	9
Insurance	4	3
Travel expenses	15	13
Hotel expenses	8	10

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(All amounts in ₹ crores unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Event management costs	35	53
Commission on sponsorship income	14	17
Man of the match award (net)	0	0
Total operational expenses relating to BCCI-IPL and WPL	288	316

28 Finance costs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expense on lease liabilities (refer note 3.2)	40	21
Interest others	49	55
Total finance costs	89	76

29 Exceptional items (net)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Profit on sale of business undertaking	-	31
(b) Supply restructuring cost (refer note 46)	(65)	(48)
Total exceptional items (net)	(65)	(17)

30 Reconciliation of tax expense and accounting profit multiplied by India’s tax rate

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profits before income tax expense	2,135	1,857
Tax calculated at the statutory rate applicable to the Holding Company	573	498
Tax effects of amounts which are not deductible / (taxable) in calculating taxable income:		
- Tax deduction for dividend received from subsidiary	(30)	(31)
- Unrecognised short term capital losses utilised against profit on redemption of mutual funds	(2)	(15)
- Expenses disallowed for tax purposes	9	8
- Profit on sale of business undertaking, which was taxed in the previous year	-	(8)
- Provision/(reversal) of income taxes relating to prior years	(1)	1
- Reversal of deferred tax asset on removal of indexation benefit on land	11	-
- Others	(7)	(4)
Income tax expense as per Consolidated Statement of Profit and Loss	553	449
(a) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised (refer notes below)	451	526
Potential tax benefit at rates applicable in the country concerned	104	122

Notes forming part of the consolidated financial statements

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Notes:

- (a) The unused tax loss comprises of capital losses of the Holding company amounting to ₹ 390 crores (2024: ₹ 469 crores) of which long term capital losses amounting to ₹ 390 crores (2024: ₹ 467 crores), accumulated from prior years, will expire during financial years ending March 31, 2027 to March 31, 2032.
- (b) As at March 31, 2025, aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liability has not been recognised is ₹ 38 crores (March 31, 2024: ₹ 33 crores). No liability has been recognised in respect of such difference because the Group is in a position to control timing of reversal of the temporary difference and it is probable that such difference will not reverse in the foreseeable future.

31 Earnings per share

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Nominal value of equity shares (₹)	2/-	2/-
(a) Profits attributed to the owners of the Holding Company	1,582	1,408
(b) Weighted average number of equity shares used as denominator	71,00,55,403	71,00,55,403
-Issued/paid up share capital	71,00,55,403	71,00,55,403
(c) Basic and diluted earnings per share (₹)	22.28	19.83

Notes:

- (a) There are no dilutive equity shares in the Holding Company.
- (b) In calculating the weighted average number of outstanding equity shares during the year, Holding Company has reduced the own shares held by USL Benefit Trust (of which Holding Company is the sole beneficiary), as the investment in the said Trust has been accounted as per the Scheme approved by courts. [refer note 14(h)].

32 Financial risk management

The Group’s activities exposes it to credit risk, liquidity risk and market risk. This note explains the sources of risk which the entity is exposed to and how the Group manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, deposits with banks, mutual fund, trade receivables, loans and other financial assets measured at amortised cost	Ageing analysis and review of receivables and other financial assets	Diversification of bank deposits, review of mutual fund schemes and its underlying exposure, monitoring of credit limits and assessment of recoverability of loans to other counterparties
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts	Investment in highly marketable and liquid investments and availability of committed credit lines
Market risk – interest rate	Other deposits with banks and debt mutual funds	Sensitivity analysis of interest rates	Monitoring of changes in interest rates
Market risk – foreign exchange risk	Primarily represented by receivables and payables towards export and imports, respectively	Forecast of highly probable foreign currency cash flows	Monitoring of changes in foreign exchange rates
Market risk – price risk	Investment in mutual fund, compulsorily convertible preference shares(CCPs)	Market available information, valuation of future cash flow	Group reviews its investments at regular intervals in order to minimize price risk arising from investments in mutual fund.

Notes forming part of the consolidated financial statements

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The Group’s financial risk management is carried out by treasury department under policies approved by the Board of Directors (“the Board”). Corporate treasury identifies, evaluates and hedges financial risks in close co-operation with the Group’s other functions. The Board sets written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk and credit risk.

(A) Credit risk

Credit risk management

Trade receivables:

The Group’s credit policy provides guidance to keep the risk of credit sales within an acceptable level. The Group’s management monitors (at customer group and non-group level) and reviews credit limits, overdue trade receivables, provisioning and write-off of credit impaired receivables.

Trade receivables are unsecured and are derived from revenues earned from two main classes of customers, receivables from sales to government corporations/ government owned entities and receivables from sales to private third parties.

Receivables from government corporations/ government owned entities amounted to ₹ 2,311 crores (59%) (2024: ₹ 1,998 crores (56%)) and receivable from sales to private customers amounted to ₹ 1,621 crores (41%) (2024: ₹ 1,596 crores (44%)) respectively, of total trade receivables, on the reporting date.

The Group determines allowances for expected credit losses separately for different categories of customers using age-based provision matrix.

Movement in loss allowances for trade receivables is provided below:

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	173	121
Loss allowance (net)	6	68
Write offs/ adjustments	3	(16)
Balance at the end of the year (refer note 11)	182	173

Expected credit loss ageing schedule is given below:

Particulars	As at March 31, 2025		As at March 31, 2024	
	Rate	Amount	Rate	Amount
Not due	0%	1	0%	7
Less than 3 months	0-1%	3	0-2%	13
3 months - 6 months	0-7%	1	0-6%	6
6 months -1 year	0-19%	1	0-30%	7
1-2 years	0-38%	9	0-42%	13
2-3 years	79-100%	18	79-100%	9
More than 3 years	100%	51	100%	27
Sub total (A)		84		82
Specific cases (B)		98		91
Total (A+B)		182		173

Notes forming part of the consolidated financial statements

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(All amounts in ₹ crores unless otherwise stated)

Loans and other financial assets:

‘Other financial assets’ includes balances with banks, receivable from Tie-up manufacturing units, government grants, security deposits and other receivables. Loans includes loans to a joint venture, employees, others and interest accrued on such loans.

The Group recognises allowances using expected credit loss method on Other financial assets. Such allowances are measured considering either 12-month expected credit loss approach or life time credit loss approach, based on management’s assessment of credit risk. Assets are written-off where there is no reasonable expectation of recovery. Where the loans or receivables are written-off the Group continues to engage in enforcement activity to attempt to recover the amounts due. Where recoveries are made, these are recognised in profit or loss.

Movement in loss allowances for financial assets other than for trade receivables during the reporting period is provided below:

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	1,302	1,322
Loss allowance recognised:		
Included in the Consolidated Statement of Profit and Loss	(8)	(27)
Write offs / adjustments	(11)	7
Balance at the year end (refer note 5 and 6)	1,283	1,302

Management has assessed credit risk for balances with banks, investments in mutual funds, other financial assets and loans as at year ended March 31, 2025. Basis this assessment management has determined that no provision for expected credit loss is required, other than those already provided in these consolidated financial statements.

(B) Liquidity risk

The Group monitors daily and monthly rolling forecasts of the liquidity position and cash and cash equivalents on the basis of expected cash flows. Generally, any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in bank deposits, debt mutual funds and other highly rated corporate debentures to optimise the cash returns on investments guided by the tenets of safety, liquidity and returns.

Financing arrangements

The Group has access to the following undrawn unsecured borrowing facilities as at end of the reporting period:

Particulars	As at March 31, 2025	As at March 31, 2024
Floating rate		
Cash credit / working capital loans	1,118	1,245

The above facilities may be drawn at any time and such borrowings are repayable on demand.

Maturities of financial liabilities

The maturity profile of the Group’s financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Group.

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As at March 31, 2025							
Particulars	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Lease liabilities	46	46	91	119	161	156	619
Trade payables	2,239	-	-	-	-	-	2,239
Other financial liabilities	477	-	-	-	-	-	477
Total liabilities	2,762	46	91	119	161	156	3,335
As at March 31, 2024							
Particulars	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Lease liabilities	36	29	52	96	36	29	278
Trade payables	1,954	-	-	-	-	-	1,954
Other financial liabilities	276	-	-	-	-	-	276
Borrowings	25	-	-	-	-	-	25
Total liabilities	2,291	29	52	96	36	29	2,533

(C) Interest rate risk

Interest rate risk arises due to uncertainties about the future market interest rate on investments.

Treasury activities, focused on managing investments in debt instruments, are centralised and administered under a set of approved policies and procedures guided by the tenets of safety, liquidity and returns. This ensures that investments are made within acceptable risk parameters after due evaluation. The Group's investments are predominantly held in fixed deposits and mutual funds.

The Group invests in debt mutual fund schemes of leading fund houses. Such investments are susceptible to market price risks that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the mutual fund schemes in which the Group has invested, such price risk is not significant.

In addition to debt mutual funds, the Group invests in term deposits with banks. The term deposits carry a fixed-coupon rate and are majority of the term deposits are for a term not exceeding 12-months from the Balance Sheet date. Accordingly, interest rate risks is not significant.

(D) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions and balances, primarily with respect to the USD and GBP. Foreign Exchange risk arises from future commercial transactions and monetary assets and liabilities denominated in a currency that is not the functional currency of the Holding Company or its subsidiaries. The risk is measured through a forecast of highly probable foreign currency cash flows.

Foreign currency risk management

The Group's risk management policy is to assess the Group's net exposures which is mainly represented by receivables and payables towards exports and imports respectively and represented by receivables and payables extended in foreign currencies.

The Group can hedge its net exposures with a view on forex outlook. Since the net exposure is currently not material, foreign currency risk has not been hedged.

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Foreign currency risk exposure

The Group's exposure to foreign currency risk at the end of the reporting period expressed in ₹ crores is as follows:

Financial assets	As at March 31, 2025						
	USD	GBP	EURO	SGD	MXN	AUD	Total
Cash and cash equivalents	0	0	0	-	-	-	0
Other financial assets	-	1	1	-	-	-	2
Trade receivables	27	-	-	-	-	-	27
Exposure to foreign currency risk (assets)	27	1	1	-	-	-	29
Financial liabilities	USD	GBP	EURO	SGD	MXN	AUD	Total
Trade payables	8	8	-	2	0	0	18
Other financial liabilities	-	-	-	-	-	-	-
Exposure to foreign currency risk (liabilities)	8	8	-	2	0	0	18
Net exposure assets/(liabilities)	19	(7)	1	(2)	(0)	(0)	11

Financial assets	As at March 31, 2024				
	USD	GBP	EURO	SGD	Total
Financial assets					
Cash and cash equivalents	0	0	0	0	0
Other financial assets	0	0	0	-	0
Trade receivables	24	-	-	-	24
Exposure to foreign currency risk (assets)	24	0	0	0	24
Financial liabilities	USD	GBP	EURO	SGD	Total
Trade payables	5	8	0	1	14
Other financial liabilities	-	-	-	-	-
Exposure to foreign currency risk (liabilities)	5	8	0	1	14
Net exposure assets/(liabilities)	19	(8)	(0)	(1)	10

Note:

a) A reasonable possible fluctuation in foreign exchange rates are not expected to have a material effect on the profit/ loss.

(E) Price risk

Mutual funds: Group reviews its investments at regular intervals in order to minimize price risk arising from investments in mutual Funds. In accordance with the investment policy the Group invests in the liquid, overnight and money market mutual fund schemes which are not subject to significant changes in price.

33 Capital management

a. Risk management

The Group's objectives when managing capital is to:

- a) have a balanced financial profile from short term (1 year) to mid-term (3 years) for sustainable leverage, providing;
- Headroom for future growth / expansion
 - Financial flexibility in case of adverse business cycles

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- b) ensure the capital structure is at competitive advantage when compared to peers and other sector players through:
- Diversification of funding sources to manage liquidity and rollover risk
 - Financial flexibility in case of adverse business cycles

Net debt to equity ratio:

Particulars		As at March 31, 2025	As at March 31, 2024
Total debt including lease liabilities	(a)	480	265
Cash and cash equivalents	(b)	1,328	1,052
Net debt/ (cash)	(c) = (a) - (b)	(848)	(787)
Total equity	(d)	8,104	7,121
Net debt to equity ratio	(c) / (d)	NA	NA

As at March 31, 2025, the Group has no external borrowings and debt represents lease liabilities.

b. Dividends

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(i) Equity shares		
Interim dividend of ₹ 4 (2024 - ₹ 4) per fully paid share	284	284
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, subsequent to the year end, the directors have recommended the payment of a final dividend of ₹ 8 (2024: ₹ 5) per fully paid equity share. This proposed dividend for current year is subject to the approval of shareholders in the ensuing annual general meeting.	568	355

34 Assets pledged as security

- (a) In respect of secured loans from banks ('lenders') obtained and repaid during earlier years, the Holding Company has in most cases obtained no objection letters from lenders for the release of the hypothecation/ mortgage and have filed the necessary forms with Ministry of Corporate Affairs ("MCA") to reflect the release of such charge in MCA's records. In a few remaining cases, the Holding Company is in the process of securing no objection letters from the lenders. As there are no secured loans outstanding as at March 31, 2025 no assets have been shown as hypothecated/ mortgaged as at March 31, 2025.
- (b) Further the following assets have been pledged with a bank with whom the Holding Company is involved in a litigation [refer note 41(A)(e)]

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
First charge			
Freehold land	3.1 & 3.5	118	118
Buildings	3.1 & 3.5	14	14
Leasehold land	3.1 & 3.5	4	4
Plant and equipment	3.1	0	0
Investment as a sole beneficiary in USL Benefit Trust	4.1	120	120
Total assets pledged as security		256	256

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35 Share based payments

Diageo Plc. share based plans

Diageo Plc. (Ultimate holding company) runs various equity settled share based plans such as Discretionary Incentive Plan (DIP), Performance Share Plan (PSP), and Senior Executive Share Option Plan (SESOP) for qualifying employees of the Holding Company. Vesting under these plans is subject to conditions such as continuity of employment and achievement of certain other performance factors.

The charge for the year in respect of such plans included in employee benefits expense amounted to ₹ 5 crores (2024: ₹ 4 crores).

Share Appreciation Rights (SAR)

The India SAR Plan creates an opportunity to link the employees' reward to Holding Company's share price performance. Under this plan, Group grants stock appreciation rights (based on USL share price on the date of grant) to qualifying employees. Cash pay-out equivalent to the value of the Holding Company's share will be made at the end of three years from the date of grant (the vesting period).

Details of SAR plans outstanding as at March 31, 2025 are as follows:

Grant Year	No. of units outstanding as at March 31, 2025	Average Vesting Period	Range of the expected settlement price (₹ per unit)
FY 22-23	1,11,501	3 years	1,619 to 1,731
FY 23-24	1,34,188		1,731 to 1,750
FY 24-25	1,45,985		1,695 to 1,809

The fair value of the SARs is determined using the Black-Scholes model using the following inputs at the grant dates and as at each reporting date:

Particulars	As at March 31, 2025	As at March 31, 2024
Expected volatility (%)	25.39%	26.74%
Risk-free interest rate (%)	6.55%	7.16%

As at March 31, 2025 outstanding SARs are 3,91,674 (2024: 5,98,721). Refer below for movement in provision for SAR:

Particulars	Notes	Amount
Provision as at April 1, 2023		27
Charge for the year	25	33
Payout during the year		(16)
Provision as at March 31, 2024	18	44
Charge for the year	25	12
Payout during the year		(30)
Provision as at March 31, 2025	18	26

Provision as at the year-end classified as:

Particulars	As at March 31, 2025	As at March 31, 2024
Current	10	29
Non-current	16	15
Total	26	44

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36 Financial instruments:

Financial instrument by category:

Particulars	As at March 31, 2025			Total
	Amortized cost	Fair value through profit and loss	Fair value through other comprehensive income	
Financial assets:				
Liquid mutual fund units (refer note 4.2(iii))	-	773	-	773
Treasury bills (refer note 4.2(ii))	100	-	-	100
Loans (refer note 5)	22	-	-	22
Other financial assets (refer note 6)	640	-	-	640
Trade receivables (refer note 11)	3,750	-	-	3,750
Cash and cash equivalents (refer note 12)	729	599	-	1,328
Bank balance other than cash and cash equivalents (refer note 13)	702	-	-	702
Total	5,943	1,372	-	7,315
Financial liabilities:				
Other financial liabilities (refer note 17)	477	-	-	477
Trade payables (refer note 19)	2,239	-	-	2,239
Total	2,716	-	-	2,716

Particulars	As at March 31, 2024			Total
	Amortized cost	Fair value through profit and loss	Fair value through other comprehensive income	
Financial assets:				
Liquid mutual fund units (refer note 4.2(iii))	-	499	-	499
Treasury bills (refer note 4.2(ii))	100	-	-	100
Loans (refer note 5)	10	-	-	10
Other financial assets (refer note 6)	148	-	-	148
Trade receivables (refer note 11)	3,421	-	-	3,421
Cash and cash equivalents (refer note 12)	505	547	-	1,052
Bank balance other than cash and cash equivalents (refer note 13)	217	-	-	217
Total	4,401	1,046	-	5,447
Financial liabilities:				
Borrowings (refer note 16)	25	-	-	25
Other financial liabilities (refer note 17)	276	-	-	276
Trade payables (refer note 19)	1,954	-	-	1,954
Total	2,255	-	-	2,255

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Fair value hierarchy:

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows below:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Fair value of investments in mutual funds are classified as Level 1.

Management has determined their carrying amounts of current financial assets and financial liabilities i.e., trade receivables, loans, bank deposits, cash and cash-equivalents, receivable from TMUs, trade payables and other financial liabilities (excluding lease liabilities) to be a fair approximation of their fair values on account of their short term natures.

Management has determined that the fair values of other non current financial assets i.e., government grants, receivable from TMUs, security deposits and other receivables are not materially different from their carrying amounts as at March 31, 2025.

37 Related party disclosures

(a) Names of related parties and description of relationship

(i) Ultimate holding, holding and intermediate holding entities

- Diageo plc United Kingdom (Ultimate Holding company)
- Tanqueray Gordon & Company Ltd., United Kingdom (Holding Company of Diageo Relay B V)
- Diageo Relay B.V., Netherlands (Immediate Holding Company)

(ii) Joint ventures

Name of the joint venture	% of ownership interest *	Country of incorporation
Nao Spirits & Beverages Private Limited	30	India
Inspired Hospitality Private Limited [w.e.f. April 04, 2024]	15	India
V9 Beverages Private Limited [w.e.f. September 26, 2024]	15	India
Indie Brews and Spirits Private Limited [w.e.f. September 27, 2024]	25	India

(*) % of ownership is on a fully diluted basis

(iii) Fellow subsidiaries (with whom transactions have taken place during the year or in the previous year)

- Diageo Scotland Limited
- Diageo Brands B.V.
- Diageo Great Britain Limited
- Diageo North America Inc.
- Diageo Guinness Nigeria Plc (till September 30, 2024)
- Diageo Korea Co. Ltd

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- Diageo America Supply Inc.
- Diageo Business Services India Private Limited
- UDV Kenya Limited
- Diageo Mexico Comercializadora S.A. de C.V.

(iv) Employees’ Benefit Plans:

- McDowell & Company Limited Staff Gratuity Fund
- McDowell & Company Limited Officers’ Gratuity Fund
- McDowell & Company Limited Employees Provident Fund(*)
- United Spirits Superannuation Fund
- UB Group Employee Benefit Trust
- Pioneer Distilleries Employees Gratuity Trust

(*) The Holding Company was operating a defined benefit provident fund plan through its own Trust for all permanent employees. During the previous year, the Holding Company has transferred its provident fund obligation from the Trust to Employee Provident Fund Organization (EPFO) after necessary approval from EPFO. The Holding Company is in the process of liquidating the Trust. [refer note 39(b)]

(v) Key management personnel

a. Whole-time directors

- Hina Nagarajan (Managing Director and Chief Executive Officer) (till March 31, 2025)
- Praveen Someshwar (Managing Director and Chief Executive Officer) (w.e.f. April 1, 2025) (#)
- Pradeep Jain (Chief Financial officer and Executive Director)

(#) Appointed on March 1, 2025 as "Chief Executive officer - Designate"

b. Non-executive/ Independent directors

- Mahendra Kumar Sharma – Chairman (till March 31, 2025)
- V K Viswanathan - Chairman (w.e.f. April 1, 2025)
- Mark Sandys
- Mukesh Butani (w.e.f. March 1, 2024)
- Indu Bhushan (w.e.f. March 1, 2024)
- Amrita Gangotra (w.e.f. September 1, 2024)
- Preeti Arora (w.e.f. October 1, 2024)
- Dr. Indu Shahani (till September 29, 2024)
- John Thomas Kennedy (till June 30, 2023)
- D Sivanandhan (till July 31, 2024)
- Rajeev Gupta (till July 31, 2024)
- Emily Kathryn Gibson (w.e.f. September 7, 2023 till October 31, 2024)
- Mamta Sundara (w.e.f. February 1, 2023 till September 30, 2024)

Notes forming part of the consolidated financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

37 (b) Summary of the transactions with related parties

Name of the related party	Relationship	For the year ended March 31, 2025	For the year ended March 31, 2024
(i) Investment in joint ventures			
Nao Spirits & Beverages Private Limited	Joint venture		
- Compulsory convertible preference shares at cost		-	15
Inspired Hospitality Private Limited	Joint venture		
- Equity shares carried at cost		0	-
- Compulsory convertible preference shares at cost		6	-
V9 Beverages Private Limited	Joint venture		
- Equity shares carried at cost		0	-
- Compulsory convertible preference shares at cost		2	-
Indie Brews and Spirits Private Limited	Joint venture		
- Equity shares carried at cost		0	-
- Compulsory convertible preference shares at cost		5	-
Total - Investment in joint ventures		13	15
(ii) Sale of products (including excise duty) to			
UDV Kenya Limited	Fellow subsidiary	-	1
Total - Sale of products		-	1
(iii) Royalty income			
UDV Kenya Ltd	Fellow subsidiary	0	0
Total - Royalty income		0	0
(iv) Interest income on loans to			
Nao Spirits & Beverages Private Limited	Joint venture	1	-
Total - Interest income on loans (refer note 22)		1	-
(v) Reimbursement of expenses from			
Diageo Plc	Ultimate Holding Company	2	5
Diageo Great Britain Limited	Fellow subsidiary	3	1
Diageo Brands B.V.	Fellow subsidiary	-	1
Diageo Scotland Limited	Fellow subsidiary	1	2
Diageo Korea Co. Ltd	Fellow subsidiary	5	-
Diageo Mexico Comercializadora S.A. de C.V.	Fellow subsidiary	3	1
Diageo America Supply Inc.	Fellow subsidiary	-	0
Nao Spirits & Beverages Private Limited	Joint venture	0	-
Total - Reimbursement of expenses received		14	10
(vi) Purchase of stock-in-trade from			
Diageo Brands B.V.	Fellow subsidiary	547	422
Total- Purchase of stock-in-trade		547	422

Notes forming part of the consolidated financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

Name of the related party	Relationship	For the year ended March 31, 2025	For the year ended March 31, 2024
(vii) Purchase of raw materials from			
Diageo Brands B.V.	Fellow subsidiary	470	421
Total - Purchase of raw materials		470	421
(viii) Royalty expense			
Diageo North America Inc.	Fellow subsidiary	11	9
Total - Royalty expense (refer note 27)		11	9
(ix) Professional charges			
Diageo Business Services India Private Limited	Fellow subsidiary	15	17
Total - Professional charges		15	17
(x) Cross Charge towards share based payments			
Diageo Great Britain Limited	Fellow subsidiary	5	4
Total - Cross charge		5	4
(xi) Other services received			
Information Technology expenses			
Diageo Great Britain Limited	Fellow subsidiary	41	28
Diageo Business Services India Private Limited	Fellow subsidiary	2	1
Total -Other services received		43	29
(xii) Reimbursement of expenses paid to			
Diageo Great Britain Limited	Fellow subsidiary	9	3
Diageo Scotland Limited	Fellow subsidiary	-	1
Diageo North America Inc	Fellow subsidiary	1	1
Diageo Business Services India Private Limited	Fellow subsidiary	0	-
Diageo Mexico Comercializadora S.A. de C.V.	Fellow subsidiary	0	-
Total - Reimbursement of expenses paid		10	5
(xiii) Dividend paid to			
Diageo Relay B.V.	Immediate Holding Company	203	163
Total - Dividend paid		203	163
(xiv) Loan given to			
Nao Spirits & Beverages Private Limited	Joint venture	18	-
Total - Loans given		18	-
(xv) Contribution to/ (surplus from) employee benefit plans			
McDowell & Company Limited Employees Provident Fund	Employee benefits plan	(2)	16
United Spirits Superannuation Fund	Employee benefits plan	-	2
Total - Contribution to/ (surplus from) employee benefit plans		(2)	18

Note: The amounts disclosed above are excluding Goods and Services tax, wherever applicable.

Notes forming part of the consolidated financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

37(c) Summary of closing balances with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Name of the related party	Relationship	As at March 31, 2025	As at March 31, 2024
(i) Financial assets receivable			
Diageo Scotland Limited	Fellow subsidiary	-	0
Diageo Mexico Comercializadora S.A. de C.V.	Fellow subsidiary	0	-
Diageo Great Britain Limited	Fellow subsidiary	1	1
Diageo Plc	Ultimate Holding Company	0	-
Diageo Korea Co. Ltd	Fellow subsidiary	1	-
Total- Financial assets receivable (refer note 6)		2	1
(ii) Trade receivables from			
UDV Kenya Ltd	Fellow subsidiary	0	0
Guinness Nigeria Plc.(*)	Fellow subsidiary	-	2
Total - Trade receivables (refer note 11)		0	2
(iii) Trade payables to			
Diageo Brands B.V.	Fellow subsidiary	325	208
Diageo Great Britain Limited	Fellow subsidiary	16	9
Diageo North America Inc.	Fellow subsidiary	6	5
Diageo Scotland Limited	Fellow subsidiary	0	1
Diageo Business Services India Private Limited	Fellow subsidiary	6	5
Diageo Mexico Comercializadora S.A. de C.V.	Fellow subsidiary	0	-
Total - Trade payables (refer note 19)		353	228
(iv) Loan (including interest) receivable from			
Nao Spirits & Beverages Private Limited	Joint venture	18	-
Total - Loan receivable (refer note 5)		18	-
(v) Dividend payable to			
Diageo Relay B.V.	Immediate Holding Company	163	-
Total - Dividend payable		163	-
(vi) Minimum offtake commitment for purchase of bulk scotch			
Diageo Scotland Limited	Fellow subsidiary	1,080	123

Notes forming part of the consolidated financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

37(d) Key management personnel and compensation

Executive directors	For the year ended March 31, 2025		For the year ended March 31, 2024	
	Hina Nagarajan	Pradeep Jain	Hina Nagarajan	Pradeep Jain
Remuneration (*)	27	5	10	4
Employee share-based payments (**)	3	0	4	0
Total compensation	30	5	14	4

(*) As the employee benefits obligations such as gratuity, compensated absences and bonuses are provided for the Holding Company as a whole, the amounts pertaining to individual Key Management Personnel are not included above on an accrual basis.

(**) Based on options exercised.

Non-executive/ Independent directors	For the year ended March 31, 2025		For the year ended March 31, 2024	
	Sitting Fee	Commission	Sitting Fee	Commission
Mr. Mahendra Kumar Sharma	0	1	0	1
Mr. V K Viswanathan (*)	0	0	0	0
Dr. Indu Shahani (*)	0	0	0	0
Mr. D Sivanandhan (*)	0	0	0	0
Mr. Rajeev Gupta (*)	0	0	0	0
Dr. Indu Bhushan (*)	0	0	-	0
Ms. Amrita Gangotra (*)	0	0	-	-
Mr. Mukesh Butani (*)	0	0	-	0
Total	1	3	0	2

(*) Individually sitting fees and commission paid to the directors is lesser than ₹ 50 lakhs. Sitting fees and commission paid to the directors above has been aggregated and disclosed against the total in the table above.

37(e) General terms and conditions for transactions with related parties

Transactions with related parties are carried out in the normal course of business and are generally on normal commercial terms.
Loan to a joint venture is secured.

Notes forming part of the consolidated financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

38 Offsetting of financial assets and financial liabilities

The Group provides volume-based incentives and rebates to certain customers. Amounts payable by Group are offset against receivables from such customers and only the net amounts are settled. The relevant amounts have therefore been presented net in the Consolidated Balance Sheet. Details of such offset is given in the below table.

Particulars	As at March 31, 2025	As at March 31, 2024
Trade Receivables - current	3,623	3,289
Trade Receivables - non current	340	365
Trade receivables (gross)	3,963	3,654
Less: Volume based incentives and rebates payable	(31)	(60)
Trade receivables as reported (refer note 11)	3,932	3,594

39 (a) Defined contribution plans

Provident Fund:

Provident Fund covers all eligible employees of the Holding Company. Both the employees and the Holding Company make monthly contributions to the Provident Fund as per regulations to a fund administered by government authority, equal to a specified percentage of the employees' salary. The obligation of the Holding Company is limited to the extent of contributions made on a monthly basis.

Employee Pension Scheme:

Employee Pension Scheme covers all eligible employees of the Holding Company. A portion of the Holding Company's contribution in respect of government administered Provident Fund and Holding Company administered Provident Fund Plan is made to the government administered Employee Pension Scheme, as per regulations. The obligation of the Holding Company is limited to the extent of contributions made on a monthly basis.

Employees' State Insurance:

Employees' State Insurance is a state plan which is applicable to those employees of the Holding Company whose salaries do not exceed a specified amount. The contributions are made based on a percentage of salary to a fund administered by government authority. The obligation of the Holding Company is limited to the extent of contributions made on a monthly basis.

Superannuation Fund:

Certain executive staff of the Holding Company participate in United Spirits Superannuation fund (the 'Fund'), which is a voluntary contribution plan. The Holding Company has no further obligations to the plan beyond its monthly contributions to the Fund, the corpus of which is administered by a Trust and is invested in insurance products.

National Pension Scheme:

Certain executive staff of the Holding Company participate in National Pension Scheme, which is a voluntary contribution plan. The Holding Company has no further obligations to the plan beyond its monthly contributions to a fund administered by a pension fund manager appointed by Pension Fund Regulatory and Development Authority.

During the year, the Holding Company has recognised the following amounts in the Consolidated Statement of Profit and Loss, which are included in contribution to provident and other funds under the employee benefits expense in note 25.

Notes forming part of the consolidated financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024*
Provident fund	18	17
Employees’ pension scheme	2	4
Employees’ state insurance	0	0
Superannuation fund	1	1
National pension scheme	0	1
Total (refer note 25)	21	23

(*) Excludes contributions to Provident Fund Trust which are in the nature of defined benefit plans managed by the Holding Company.

39(b) Defined benefit plans

Gratuity:

The Holding Company provides for gratuity, a defined benefit plan (the “Gratuity Plan”), to its employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment or upon resignation from service, of an amount based on the respective employee’s last drawn salary and years of employment with the Holding Company. Vesting occurs only upon completion of five years of service, except in case of death or permanent disability. The funds are managed by a trust administered by the Holding Company.

Pension plan:

The Holding Company operates an unfunded defined benefit pension plan for certain retired employees of an erstwhile entity which has merged into the Holding company in earlier years. This plan provides benefits to members in the form of a guaranteed level of pension payable for life post retirement or termination of employment. The level of benefits provided depends on their salary in the final year leading up to retirement, or termination.

Provident fund plan:

The executive staff and certain permanent workmen received benefits from the provident fund plan, which was operating as a defined benefit plan until part of the previous year. Both the employees and the Holding Company made monthly contributions to such provident fund plan equal to a specified percentage of the employee’s salary. A portion of Holding Company’s contribution is transferred to Employee Pension Scheme, which is a defined contribution plan and the remaining amount is transferred to provident fund plan. The defined plan was discontinued during the previous year and the balance contribution was transferred to Employees Provident Fund Organisation (EPFO).

The defined benefit provident fund contributions were made to McDowell & Company Limited Employees Provident Fund Trust which was set up and managed by the Holding Company. The Trust invested in specific designated instruments as permitted by Indian laws. The Holding Company had an obligation to make good the shortfall if any, being the difference between the statutory rate prescribed by the Government and the rate of interest declared by the Trust. The Holding Company also had an obligation to fund any shortfall in the fair value of plan assets as compared with the defined benefit obligation. The actuarial risk and investment risk fall, in substance, on the Holding Company. During the current year, the Holding Company had transferred its’ obligation for provident fund from the trust to Employees Provident Fund Organisation (EPFO). Accordingly, the provident fund plan has subsequently been accounted as a defined contribution plan.

Notes forming part of the consolidated financial statements

as of and for the year ended March 31, 2025

(All amounts in ₹ crores unless otherwise stated)

Gratuity, provident fund and pension

A. Reconciliation of opening and closing balances of the present value of the defined benefit obligation (DBO):

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024		
	Gratuity	Pension	Gratuity	Provident fund	Pension
	(Funded)	(Unfunded)	(Funded)	(Funded)	(Unfunded)
Obligation at the beginning of the year	107	0	106	311	1
Current service cost	9	-	10	3	-
Interest cost	7	-	7	8	-
Benefit payments from plan assets	(19)	-	(12)	(35)	-
Transfer in/out	-	-	-	7	-
Employee contributions	-	-	-	5	-
Benefit payments from the Group	-	(0)	-	-	(1)
Actuarial (gain)/ loss from changes in demographic assumptions	-	-	(4)	-	-
Actuarial (gain)/ loss from changes in financial assumptions	2	-	1	-	-
Actuarial (gain)/ loss from experience adjustments	3	-	(1)	0	-
Transferred to EPFO	-	-	-	(299)	-
Obligation at the end of the year	109	-	107	-	0

B. Reconciliation of opening and closing balances of the fair value of plan assets:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024	
	Gratuity	Gratuity	Provident fund
	(Funded)	(Funded)	(Funded)
Plan assets at the beginning of the year	137	140	305
Employee contributions	-	-	5
Transfer in/ (out)	-	-	7
Contribution by the Group	-	-	3
Return on plan assets	10	10	8
Actuarial gains/ (losses)	2	0	(11)
Benefits paid	(19)	(13)	(35)
Transferred to EPFO	-	-	(282)
Plan assets at the end of the year	130	137	-

Notes forming part of the consolidated financial statements

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(All amounts in ₹ crores unless otherwise stated)

C. Reconciliation of present value of defined benefit obligation and the fair value of plan assets to the assets and liabilities recognised in the Balance sheet at the end of the year:

Particulars	As at March 31, 2025		As at March 31, 2024	
	Gratuity	Pension	Gratuity	Pension
	(Funded)	(Unfunded)	(Funded)	(Unfunded)
Present value of obligation	109	-	107	0
Fair value of plan assets	130	-	137	-
Liability/ (asset) recognised in Consolidated Balance sheet (refer notes 9 & 18)	(21)	-	(30)	0
Current	-	-	-	0
Non-current	(21)	-	(30)	-

D. Expenses recognised in the Consolidated Statement of Profit and Loss:

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024		
	Gratuity	Total	Gratuity	Provident fund	Total
	(Funded)		(Funded)	(Funded)	
Current service cost	9	9	10	3	13
Net interest cost					
a. Interest expense on DBO	7	7	7	8	15
b. Interest (income) on plan assets	(10)	(10)	(10)	(8)	(18)
Total net interest cost (a+b)	(3)	(3)	(3)	-	(3)
Defined benefit cost (refer note 25)	6	6	7	3	10

E. Re-measurement effects recognised in other comprehensive income (OCI):

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024		
	Gratuity	Total	Gratuity	Provident fund	Total
	(Funded)		(Funded)	(Funded) (*)	
a. Actuarial (gain)/ loss due to demographic assumptions changes in DBO	-	-	(4)	-	(4)
b. Actuarial (gain)/ loss due to financial assumptions changes in DBO	2	2	1	-	1
c. Actuarial (gain)/ loss due to experience on DBO	3	3	(1)	(0)	(1)
d. Return on plan assets (greater)/ less than discount rate	(2)	(2)	0	7	7
Total actuarial (gain)/ loss included in OCI	3	3	(4)	7	3

* The actuarial loss has been recorded after netting off the provision.

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F. Total cost recognised in comprehensive income:

Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024		
	Gratuity	Total	Gratuity	Provident fund	Total
	(Funded)		(Funded)	(Funded)	
Expense recognised in consolidated statement of profit and loss (refer note 25)	6	6	7	3	10
Remeasurements effects recognised in OCI	3	3	(4)	7	3
Total cost recognised in comprehensive income	9	9	3	10	13

G. Investment details of plan assets:

Particulars	As at March 31, 2025	As at March 31, 2024
	Gratuity	Gratuity
Pooled assets with an insurance group	100%	100%
Others (including bank balances)	0%	0%
	100%	100%

H. Significant assumptions:

Particulars	As at March 31, 2025	As at March 31, 2024
	Gratuity	Gratuity
	(Funded)	(Funded)
Discount rate (per annum)	6.75%	7.21%
Rate of increase in compensation levels	10%	10%
Other assumptions:		
Attrition rate	10% - 15%	10% - 15%
Mortality rates	IALM* (2012-14) Ultimate table	IALM* (2012-14) Ultimate table

*IALM: Indian Assured Lives Mortality

Notes forming part of the consolidated financial statements

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(All amounts in ₹ crores unless otherwise stated)

39(c)Sensitivity analysis:

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is provided below:

Gratuity:

Particulars	Changes in assumptions		(Decrease)/ Increase in defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	For the year ended March 31,					
	2025	2024	2025	2024	2025	2024
Discount rate	1%	1%	(5)	(4)	5	5
Compensation levels	1%	1%	5	4	(5)	(4)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the defined benefit liability recognised in the Consolidated Balance Sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

39(d) Risk exposure:

Through its defined benefit plans, Holding Company is exposed to number of risks, the most significant of which are detailed below:

Asset volatility	The plan liabilities are calculated using a discount rate set with reference to yields of government securities; if plan assets underperform this yield, this will create a deficit. Plan asset investments for gratuity are made in pre-defined insurance plans. These are subject to risk of default and interest rate risk. The fund manages credit risk/ interest rate risk through continuous monitoring to minimise risk to an acceptable level.
Inflation risk	In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk.
Life expectancy	The pension plan provides benefits for the life of the member, so increases in life expectancy will result in an increase in the plans’ liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

The Holding Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

A large portion of assets consists of government and public sector bonds, although the Holding Company also invests in private sector bonds, special deposit schemes and bank balances. The plan asset mix is in compliance with the requirements of the respective regulations.

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39(e)Effect of the defined benefit plan on the entity’s future cash flows

The Holding Company does not expect to contribute any amounts into the gratuity plan assets during the year ending March 31, 2025, considering the net surplus portion as at March 31, 2025.

The weighted average duration of the defined benefit obligation is 5 years (2024: 4.62 years). The expected maturity analysis of undiscounted provident fund and gratuity is as follows:

March 31, 2025	Less than a year	Between 1-2 years	Between 2- 5 years	Over 5 years	Total
Gratuity	19	24	35	82	160
Total	19	24	35	82	160

March 31, 2024	Less than a year	Between 1-2 years	Between 2- 5 years	Over 5 years	Total
Gratuity	27	21	32	78	158
Total	27	21	32	78	158

Note:

The estimates of future increase in compensation levels, considered in the actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

40 Long term contracts, including derivative contracts

The Group does not have any derivative contracts as at March 31, 2025. The Group has a process whereby periodically all long term contracts are assessed for material foreseeable losses. No provision for material foreseeable losses is considered necessary based on the review of such contracts as at year end.

41(A) Historical matters

(a) Additional Inquiry and other regulatory matters

As disclosed in each of the annual financial statements commencing from year ended March 31, 2014, upon completion in April 2015 of an inquiry into past improper transactions ('Initial Inquiry') which identified references to certain additional parties and certain additional matters, the then MD & CEO, pursuant to the direction of the Board of Directors, carried out an additional inquiry into past improper transactions ('Additional Inquiry') which was completed in July 2016. The Additional Inquiry prima facie identified transactions indicating actual and potential diversion of funds from the Holding Company and its Indian and overseas subsidiaries to, in most cases, Indian and overseas entities that appeared to be affiliated or associated with the Holding Company’s former non-executive chairman, Dr. Vijay Mallya, and other potentially improper transactions. All amounts identified in the Additional Inquiry have been provided for or expensed in the financial statements of the Holding Company or its subsidiaries in the respective prior periods. The Holding Company has filed recovery suits against relevant parties and individuals identified pursuant to the Additional Inquiry. Additionally, the Holding Company has also filed a suit for recovery of excess managerial remuneration amounting to ₹ 13 crores paid to the former Executive Director and CFO (ED & CFO) for the year ended March 31, 2015. The receivable recorded for excess managerial remuneration has been fully provided for.

As disclosed in each of the annual financial statements commencing from the year ended March 31, 2014, in relation to the above-mentioned Initial Inquiry and Additional Inquiry and the matters arising out of the settlement agreement dated February 25, 2016 entered into by the Holding Company with Dr. Vijay Mallya pursuant to which, inter alia, the Holding Company and Dr. Vijay Mallya agreed a mutual release in relation to matters arising out of the Initial Inquiry ('Agreement'), the Holding Company received letters and notices from the Securities Exchange Board of India ('SEBI') during the year ended March 31, 2016 to which the Holding Company has responded. There has been no further communication with SEBI on these matters since the Holding Company’s response in October 2017.

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As disclosed in each of the annual financial statements commencing from the year ended March 31, 2016, in connection with the investigations carried out by the Directorate of Enforcement ('ED') under the Foreign Exchange Management Act, 1999 and Prevention of Money Laundering Act, 2002, the Holding Company received letters and notices from ED during the year ended March 31, 2016, to which the Holding Company responded. During the year ended March 31, 2022, the Holding Company received a notice from the ED requesting for information, which the Holding Company has provided. The Holding Company has also received queries from its authorized dealer banks, based on queries from the Reserve Bank of India ('RBI'), with regard to remittances made in the prior years by the Holding Company to its overseas subsidiaries, past acquisitions and Annual Performance Reports ('APR') for prior years, to which the Holding Company has responded and is in process of filing the required forms.

As disclosed in each of the annual financial statements commencing from the year ended March 31, 2019, with the objective of divesting its non-core assets, the Holding Company reviewed its subsidiaries' operations, obligations, and compliances, and recommended a plan for rationalisation through sale, liquidation or merger ("Rationalisation Process"). After receiving approval from the Board, the Holding Company has been taking steps to implement this plan. The Rationalisation Process for the existing subsidiaries is subject to regulatory and other approvals (in India and overseas). If any historical non-compliances are established during the Rationalisation Process, the Holding Company will consult with its legal advisors, and address any such issues including, if necessary, considering filing appropriate compounding applications with the relevant authorities. At this stage, it is not possible for the management to estimate the financial impact on the Group, if any, arising out of potential non-compliances with applicable laws, if established.

(b) Preparation of financial statements of subsidiaries on liquidation basis

Consequent to the Rationalisation Process, the financial information of the following subsidiaries included in the consolidated financial results have been prepared on a liquidation basis (i.e. other than going concern basis) i.e. (i) USL Holdings Limited, (ii) USL Holdings (UK) Limited, (iii) United Spirits (UK) Limited, (iv) United Spirits (Great Britain) Limited, (v) McDowell & Co. (Scotland) Limited, (vi) Shaw Wallace Overseas Limited and (vii) Asian Opportunities and Investments Limited. Accordingly, assets and liabilities of such subsidiaries have been recognized at their fair values that approximate their carrying values as at March 31, 2025. Such remeasurement did not have any material impact on the Consolidated Financial Statements.

(c) Notices from the Ministry of Corporate Affairs

As disclosed in each of the annual financial statements commencing from year ended March 31, 2016, and pursuant to the inspection conducted by Ministry of Corporate Affairs ('MCA') during the year ended March 31, 2016, under Section 206(5) of the Companies Act, 2013, MCA issued show cause notices alleging violation of certain provisions of the Companies Act, 1956 and Companies Act, 2013, to which the Holding Company had responded. As at the year ended March 31, 2025, the Holding Company is awaiting response from the Registrar of Companies (RoC) on one compounding application and one show cause notice wherein the Holding Company had requested the RoC to discontinue further proceedings based on expert legal advice received. The penalty and compounding fees arising out of adjudication application are not material. The management is of the view that in line with the past adjudication orders, the financial impact arising out of adjudication of the residual matters will not be material to the Holding Company's financial statements.

(d) Loan to United Breweries (Holdings) Limited ('UBHL')

As disclosed in each of the annual financial statements commencing from year ended March 31, 2015, the Holding Company had pre-existing loans/ deposits/ advances/ accrued interest that were due to the Holding Company and its subsidiaries from UBHL and its subsidiaries aggregating to ₹ 1,337 crores and that were consolidated into, and recorded as, an unsecured loan through an agreement entered into between the Holding Company and UBHL on July 3, 2013 ('Loan Agreement'). UBHL defaulted on its obligations to pay any amounts under the Loan Agreement. The Holding Company had made provision in prior financial years for the entire principal amount due of ₹ 1,337 crores, and for the accrued interest of ₹ 85 crores up to March 31, 2014. The Holding Company has not recognised interest income on said loan after March 31, 2014 which cumulatively amounts to ₹ 1,343 crores up to March 31, 2025. The Holding Company has cumulatively offset ₹ 206 crores payable to UBHL arising under a trademark license agreement against the receivables under the loan.

Since UBHL had defaulted on its obligations under the Loan Agreement, the Holding Company sought redressal of disputes and claims through arbitration under the terms of the Loan Agreement. In April 2018, the arbitral tribunal passed a final award against the Holding Company. The reasons for this adverse award were disputed by the Holding Company, and the Holding Company obtained leave from the High Court of Karnataka to challenge this arbitral award. In July 2018, the Holding Company filed a petition challenging the said award before the Jurisdictional Court in Bangalore (the "Court"). The Court issued notice pursuant thereto to the Official Liquidator (OL).

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The Holding Company filed its claim with the OL. By its judgment dated March 3, 2025, the Court dismissed the Holding Company's challenge to the arbitral award. The Holding Company is challenging the judgment before the High Court of Karnataka.

Notwithstanding the judgement of the Court and the arbitral award, based on management assessment supported by an external legal opinion, the Holding Company has offset payable to UBHL under the trademark license agreement against the balance of loan receivable from UBHL. During the quarter ended June 30, 2023, the OL filed an application before the High Court of Karnataka, seeking avoidance of setoff by the Holding Company of the above license fee payments and recovery of the entire license fee payable under trademark license agreement with interest. Based on the Management assessment supported by external legal opinions, the Holding Company continues to believe that it has a good case on merits. The Holding Company is contesting the application filed by the OL and has filed its statement of objections during the quarter ended September 30, 2023. The OL has subsequently filed its rejoinder during the quarter ended March 31, 2024. Based on the Management assessment supported by external legal opinions, the Holding Company continues to believe that it has a good case on merits.

The Official Liquidator of UBHL has filed another claim before the High Court of Karnataka, purportedly as loans and advances repayable to UBHL by the Holding Company, without substantiating the basis of such a claim. USL has denied this purported debt and is contesting this claim. The Holding Company believes it has a good case on merits.

(e) Dispute with IDBI Bank Limited

As disclosed in each of the annual financial statements commencing from year ended March 31, 2015, during the year ended March 31, 2014, the Holding Company prepaid a term loan taken from IDBI Bank Limited (the "bank") in earlier years which was secured by certain property, plant and equipment and brands of the Holding Company as well as by a pledge of certain shares of the Holding Company held by the USL Benefit Trust (of which the Holding Company is the sole beneficiary). The bank disputed the prepayment, following which the Holding Company filed a Writ Petition ("WP") in November 2013 before the Hon'ble High Court of Karnataka ('High Court') challenging the actions of the bank.

In February 2016, following the original maturity date of the loan, the Holding Company received a notice from the bank seeking to recall the loan and demanding a sum of ₹ 46 crores on account of outstanding principal, accrued interest and other amounts as also further interest till the settlement date as per the security documents. The Holding Company challenged this notice in the pending writ proceedings during which the High Court directed that, subject to the Holding Company depositing ₹ 46 crores with the bank in a suspense account, the bank should not deal with any of the secured assets including the shares until disposal of the writ petition. The Holding Company deposited the full amount, and the bank was restrained from dealing with any of the secured assets.

In June 2019, a single judge bench of the High Court dismissed the Holding Company's writ petition, amongst other reasons, on the basis that the matter involved an issue of breach of contract by the Holding Company and was therefore not maintainable in exercise of the court's writ jurisdiction. The Holding Company filed an appeal against this order before a division bench of the High Court, which was admitted and interim protection on the secured assets was reinstated. The writ appeal is pending.

Based on management assessment supported by external legal opinions, the Holding Company continues to believe that it has a strong case on merits and therefore continues to believe that the aforesaid amount of ₹ 46 crores remains recoverable from the bank.

In a separate proceeding before the Debt Recovery Tribunal (DRT), Bengaluru, initiated by a consortium of banks (including the bank) for recovery of loans advanced by the consortium of banks to Kingfisher Airlines Limited (KAL), the bank filed an application for attachment of the pledged shares belonging to USL Benefit Trust. DRT dismissed the said application of the bank and the bank filed an appeal against this order before the Debt Recovery Appellate Tribunal ('DRAT'), Chennai in September 2017. The bank's appeal is pending for final hearing by the DRAT.

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41(B) Claim from customer

During the quarter ended December 31, 2023, the Holding Company received a claim from one of its institutional customers, amounting to ₹ 365 crores inclusive of penalty. The claim pertains to a historical matter regarding differential trade terms and was disclosed in the annual financial statements for the years ended March 31, 2017, March 31, 2018, March 31, 2021 and March 31, 2022. The impact of the settlement was accounted for and disclosed in the consolidated financial statements for the earlier years. Management’s assessment is that the claim from the customer is unreasoned, arbitrary in nature and is in violation of the principles of natural justice. Management is of the view that the matter was resolved and settled in full in the prior years. Management has therefore not acknowledged the claim from the customer and has chosen to litigate as per the legal remedies available. The Holding Company filed petitions under the Arbitration and Conciliation Act, seeking appointment of an arbitrator, and interim relief against withholding payments. By its order dated August 12, 2024, the Bombay High Court appointed a Sole Arbitrator to decide on the dispute and transferred the Holding Company’s pending petition for interim relief to be decided by the Arbitrator and is reserved for orders. The parties have filed their respective pleadings, and the arbitration is in progress. Management, supported by external legal opinion, believes that it has a good case on merits with a high probability of success in realising the withheld payments. Management has also determined that the receivable from the customer as at March 31, 2025 is good and recoverable.

42 Capital and other commitments:

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Capital commitments for property, plant and equipment	46	27
(b) Other commitments:		
i. Advertisement and sales promotion	55	51
ii. Minimum offtake commitment for purchase of bulk scotch from a related party (*)	1080	123
iii. Relating to IPL player and support staff fee	129	9

(*) minimum offtake commitment as at March 31, 2025, represents multi-year commitment entered into by the Holding Company.

43 Contingent liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Income tax matters	300	237
(b) Indirect tax matters		
(i) State excise	115	118
(ii) Central excise	0	0
(iii) Sales tax and entry tax	248	437
(iv) Goods and Services Tax	-	0
(v) Service tax	-	35
(c) Other civil litigations and claims	109	119

Notes:

- (a) **Income tax matters-** Income tax matters primarily relate to exposures under transfer pricing and disallowance of certain expenses that the Group had claimed as deductions in its Income Tax returns.
- (b) **Indirect tax matters-** The Group has operations across various states in India. The Group has identified possible exposures relating to local sales tax, entry tax, state excise duty, goods and services tax and central excise duty.

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(All amounts in ₹ crores unless otherwise stated)

- (c) **Other civil litigations and claims-** Other civil litigations relate to various claims from third parties under dispute which are lying with various courts/ appellate authorities.
- (d) **Provident fund-** The Group has evaluated the impact of the Supreme Court (“SC”) judgement dated February 28, 2019 in the case of Regional Provident Fund Commissioner (II) West Bengal v/s Vivekananda Vidyamandir and Others, in relation to non-inclusion of certain allowances in the definition of “basic wages” of the relevant employees for the purposes of determining contribution to Provident Fund (“PF”) under the Employees’ Provident Fund & Miscellaneous Provisions Act, 1952. There are interpretation issues relating to the said SC judgement. In the assessment of the management, the aforesaid matter is not likely to have a significant impact on the Group and accordingly, no provision has been made in the Consolidated Financial Statements.

(e) Use of Judgement

Management categorizes the matters based on the probability of cash outflow, which require judgement. Management obtains the views of external consultants where necessary. Based on the assessment, management recognises liability/ provision, or discloses the matter as a contingent liability, except for matters where the probability of outflow of cash is considered remote. Due to uncertainties involved in the process, actual outflows may be different from those originally estimated.

The Group may be involved in legal proceedings in respect of which it is not possible to make a reliable estimate of any expected settlement. In such cases, management has determined that any potential future cash outflows are not likely to be material.

- (f) Management is optimistic of a favourable outcome in the above matters based on legal opinions / management assessment. It is not practicable for the Group to estimate the timing of the cash outflows, if any, in respect of the above, pending resolution of respective proceedings.
- (g) Contingent liabilities above do not include demands with respect to income tax and indirect tax matters wherein the Group has assessed the probability of outflows of economic benefits to be remote.

44. Interest in other entities

(a) Subsidiaries/Controlled Trust

Name of the entity	% of ownership interest		Country of incorporation	Principal business activity
	As at March 31, 2025	As at March 31, 2024		
Subsidiaries:				
1. Royal Challengers Sports Private Limited	100	100	India	BCCI - IPL and WPL franchises
2. McDowell & Co. (Scotland) Limited	100	100	Scotland, U.K.	Dormant
3. Asian Opportunities and Investments Limited	100	100	Mauritius	Dormant
4. Palmer Investment Group Limited	100	100	British Virgin Islands	Dormant
5. Shaw Wallace Overseas Limited	100	100	U.K.	Dormant
6. USL Holdings Limited	100	100	British Virgin Islands	Dormant
7. USL Holdings (UK) Limited	100	100	U.K.	Dormant
8. United Spirits (UK) Limited	100	100	U.K.	Dormant
9. United Spirits (Great Britain) Limited	100	100	U.K.	Dormant
Controlled Trust:				
USL Benefit Trust	100	100	India	Investment in shares of Holding Company

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(All amounts in ₹ crores unless otherwise stated)

(b) Interest in Nao Spirits & Beverages Private Limited

During the year ended March 2023, the Holding Company acquired the interest in Nao Spirits & Beverages Private Limited (“Nao Spirits”) by investing ₹ 32 crores by subscribing to 8,094 Compulsory Convertible Preference Shares (CCPS) and 4,670 equity shares. During the previous year, the Holding Company infused additional amount of ₹ 15 crores by subscribing to 6,078 CCPS. The Holding Company holds 30% ownership interest on a fully diluted basis as at March 31, 2025. Management has considered Nao Spirits to be a joint venture since the Holding Company has joint control over its operating and financing activities.

In accordance with the shareholder’s agreement, the Holding Company has a right to purchase all or any of the shares held by promoters, existing investors and other shareholders upon occurrence of earlier of the Nao Spirits achieving the specified sales volume threshold or July 01, 2025. The exercise price of the call option shall be determined in accordance with a formula specified in the shareholder’s agreement subject to applicable laws, including the Foreign Exchange Management Act, 1999. As at March 31, 2025, fair value of the said call option has been determined to be immaterial.

(c) Interest in Inspired Hospitality Private Limited

On April 4, 2024, the Holding Company invested ₹ 6 crores in Inspired Hospitality Private Limited (“Inspired Hospitality”) by subscribing to 3,494 Compulsory Convertible Preference Shares and 10 equity shares of Inspired Hospitality, resulting in the Holding Company holding 15% ownership interest on a fully diluted basis. Management has considered Inspired Hospitality to be a joint venture since the Holding Company has joint control over its operating and financing activities.

In accordance with the shareholder’s agreement, the Holding Company has a right to purchase all or any of the shares held by promoters, existing investors and other shareholders upon occurrence of earlier of the Inspired Hospitality achieving the specified sales volume threshold or July 01, 2030. The exercise price of the call option shall be determined in accordance with a formula specified in the shareholder’s agreement. As at March 31, 2025, fair value of the said call option has been determined to be immaterial.

(d) Interest in V9 Beverages Private Limited

On September 26, 2024, the Holding Company invested ₹ 2 crores in V9 Beverages Private Limited (“V9 Beverages”) by subscribing to 1,972 Compulsory Convertible Preference Shares and 10 equity shares of V9 Beverages, resulting in the Holding Company holding 15% ownership interest on a fully diluted basis. Management has considered V9 Beverages to be a joint venture since the Holding Company has joint control over its operating and financing activities.

In accordance with the shareholder’s agreement, the Holding Company has a right to purchase all or any of the shares held by promoters, existing investors and other shareholders upon occurrence of earlier of the V9 Beverages achieving the specified sales volume threshold or March 31, 2029. The exercise price of the call option shall be determined in accordance with a formula specified in the shareholder’s agreement. As at March 31, 2025, fair value of the said call option has been determined to be immaterial.

(e) Interest in Indie Brews and Spirits Private Limited

On September 27, 2024, the Holding Company also invested ₹ 5 crores in Indie Brews and Spirits Private Limited ("Indie Brews & Spirits") by subscribing to 4,016 Compulsory Convertible Preference Shares and 10 equity shares, resulting in the Holding Company holding 25% ownership interest on a fully diluted basis. Management has considered Indie Brews and Spirits to be a joint venture since the Holding Company has joint control over its operating and financing activities.

In accordance with the shareholder’s agreement, the Holding Company has a right to purchase all or any of the shares held by promoters, existing investors and other shareholders upon occurrence of earlier of the Indie Brews & Spirits achieving the specified sales volume threshold or March 31, 2030. The exercise price of the call option shall be determined in accordance with a formula specified in the shareholder’s agreement. As at March 31, 2025, fair value of the said call option has been determined to be immaterial.

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(All amounts in ₹ crores unless otherwise stated)

(f) Share of profit and assets of Holding Company, subsidiaries and joint ventures

Name of the entity	Net assets i.e., total assets minus total liabilities		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	% of	Amount	% of	Amount	% of	Amount	% of	Amount
	Consolidated assets		Consolidated profit/(loss)		Consolidated other comprehensive income		Consolidated total comprehensive income	
I. Holding Company								
United Spirits Limited	95%	7,705	91%	1,436	100%	0	91%	1,436
II. Indian subsidiary/controlled trust								
1. Royal Challengers Sports Private Limited	4%	319	9%	138	0%	-	9%	138
2. USL Benefit Trust	0%	0	0%	2	0%	-	0%	2
III. Joint ventures								
1. Nao Spirits & Beverages Private Limited	-	-	(0%)	(6)	0%	-	(0%)	(6)
2. Inspired Hospitality Private Limited	-	-	(0%)	(1)	0%	-	(0%)	(1)
3. V9 Beverages Private Limited	-	-	(0%)	(0)	0%	-	(0%)	(0)
4. Indie Brews and Spirits Private Limited	-	-	(0%)	(0)	0%	-	(0%)	(0)
IV. Overseas subsidiaries								
1. Asian Opportunities and Investments Limited	0%	1	(0%)	(1)	0%	-	(0%)	(1)
2. McDowell & Co. (Scotland) Limited	0%	15	0%	0	0%	-	0%	0
3. Shaw Wallace Overseas Limited	0%	2	(0%)	(0)	0%	-	(0%)	(0)
4. United Spirits (Great Britain) Limited	(0%)	(0)	(0%)	(0)	0%	-	(0%)	(0)
5. United Spirits (UK) Limited	(0%)	(0)	(0%)	(0)	0%	-	(0%)	(0)
6. USL Holdings Limited	0%	3	0%	0	0%	-	0%	0
7. USL Holdings (UK) Limited	(0%)	(0)	(0%)	(0)	0%	-	(0%)	(0)
8. Palmer Investment Group Limited	1%	59	1%	14	0%	-	1%	14
Total	100%	8,104	100%	1,582	100%	0	100%	1,582

Note: Net assets given above exclude inter-company balances and treasury shares. Share in profit or loss, other comprehensive income and total comprehensive income excludes inter-company transactions.

45. Segment reporting

Segment Information

The Group is engaged in the business of manufacture, purchase and sale of beverage alcohol and other allied spirits, including through tie-up manufacturing units and through strategic franchising of some of its brands. In addition, the Group holds perpetual right to the Royal Challengers Bengaluru (RCB) cricket franchise of Indian Premier League (IPL) and Women’s Premier League (WPL).

The operating segment is the level at which discrete financial information is available. Business segments are identified considering:

- (a) the nature of products and services
- (b) the differing risks and returns
- (c) the internal organisation and management structure, and
- (d) the internal financial reporting systems.

Notes forming part of the consolidated financial statements

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(All amounts in ₹ crores unless otherwise stated)

Revenue and expenses directly attributable to segments are reported under each reportable segment. Exceptional items and other expenses which are not attributable or allocable to segments are disclosed separately. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable assets and liabilities.

The Executive Committee of the Holding Company has been identified as the Chief Operating Decision Maker (CODM). The CODM of the Holding Company assesses performance and allocates resources for the business of the Group. Below are the operating segments:

- Beverage alcohol – Manufacture, purchase, franchise and sale of beverage alcohol and other allied spirits.
- Sports – Rights to operate sports franchise.

Consolidated segment wise revenue, results, assets and liabilities as of and for the Year ended March 31, 2025

1 Segment revenue

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Beverage alcohol	11,573	10,692
Sports	504	635
Total net segment revenue	12,077	11,327
Inter segment elimination	(8)	(6)
Net segment revenue	12,069	11,321
Add: Excise duty (Beverage alcohol)	15,207	14,697
Revenue from operations	27,276	26,018

2 Segment results - Earning before interest, tax, depreciation and exceptional items (EBITDA)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Beverage alcohol	2,057	1,707
Sports	186	294
Total segment results	2,243	2,001
Other income	336	225
Depreciation, amortisation and impairment expense		
Beverage alcohol	(274)	(264)
Sports	(9)	(11)
Finance costs	(89)	(76)
Exceptional items (net) loss - Beverage alcohol	(65)	(17)
Share of net loss in joint ventures	(7)	(1)
Profit before tax	2,135	1,857

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3 Segment assets

Particulars	As at March 31, 2025	As at March 31, 2024
Beverage alcohol	12,615	10,598
Sports	640	657
Total segment assets	13,255	11,255
Inter-segment elimination	(7)	(6)
Total assets	13,248	11,249

4 Segment liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Beverage alcohol	4,832	3,777
Sports	319	357
Total segment liabilities	5,151	4,134
Inter-segment elimination	(7)	(6)
Total liabilities	5,144	4,128

Additional information by geographies

Although the Group's operations are managed basis type of product (or) service, additional information about external revenues and non-current assets based on geographies of the customers and assets is as provided below:

Particulars	As at March 31, 2025	As at March 31, 2024
Revenue from contracts with customers		
India	27,039	25,812
Outside India	181	144
	27,220	25,956
Non-current assets		
India	4,046	3,872
Outside India	-	-
	4,046	3,872

The Group has one external customer (2024: one external customer) individually contributing 17 percent of the Group's revenues (2024: 18 percent).

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Particulars	For the year ended March 31, 2025			For the year ended March 31, 2024		
	Beverage alcohol	Sports	Total	Beverage alcohol	Sports	Total
Specified amounts regularly provided to the CODM, but not included in the segment profit or loss (i.e., EBITDA):						
Income tax	505	48	553	374	75	449
Specified amounts included in the measure of segment profit or loss (i.e., EBITDA) reviewed by the CODM:						
Other material expense items:						
Cost of goods sold	6,397	-	6,397	6,048	-	6,048
Excise duty	15,207	-	15,207	14,697	-	14,697
Advertisement and sales promotion	1,121	9	1,130	1,035	13	1,048
Other expenses	1,386	304	1,690	1,354	323	1,677

46 Exceptional Items

Supply agility programme

During the year ended March 31, 2023, the Board of Directors of the Holding Company have approved a multi-year supply chain agility programme. The programme primarily is directed towards the optimization of the existing manufacturing footprint with an intent to strengthen its end-to-end supply chain and make it fit for the future. The total implementation cost of the supply chain agility programme, majority of which are expected to be recognized as exceptional items, will be recorded when the recognition criteria are satisfied.

During the year ended March 31, 2025, the Holding Company has recongnised an additional provision of ₹ 65 crores under exceptional items, towards severance cost relating to a closed unit.

47 Additional regulatory information required by Schedule III

i. Details of benami property held

The Holding Company and it's subsidiary in India does not hold any benami property. No proceedings have been initiated or are pending against the Holding Company and it's subsidiary in India for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

ii. Borrowing secured against current assets

The Holding Company and it's subsidiary in India have no borrowings from banks and financial institutions on the basis of security of current assets.

iii. Willful defaulter

None of the entities in the Holding Company and it's subsidiary in India have been declared willful defaulter by any bank or financial institution or government or any government authority.

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iv. Relationship with struck off companies

The Holding Company and it's subsidiary in India have no transactions with the companies struck off under the Companies Act, 2013 or the Companies Act, 1956 except for the following:

Name of the Struck Off company	Nature of transactions with the struck off company	Balance outstanding as at March 31, 2025	Balance outstanding as at March 31, 2024	Relationship with the struck off company
Charuu Multi Services Private Limited	Purchase of goods and payment of consideration	-	-	Vendor

v. Compliance with number of layers of companies

The Holding Company and it's subsidiary in India have ensured compliance with Section 2(87) of the Companies Act, 2013, read with the Companies (Restriction on Number of Layers) Rules, 2017 ('Layering Rules').

vi. Utilisation of borrowed funds and share premium

A. The Holding Company and it's subsidiary in India have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with understanding 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 funding party (ultimate beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

B. The Holding Company and it's subsidiary in India have not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Holding Company and it's subsidiary in India 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 to or on behalf of the ultimate beneficiaries.

vii. Undisclosed income

There is no income surrendered or disclosed as income during the current or prior year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of accounts of the Holding Company and it's subsidiary in India.

viii. Compliance with approved scheme(s) of arrangements

The Holding Company and it's subsidiary in India have not entered into any such scheme of arrangement which has an accounting impact on current (or) previous financial year.

ix. Loans or advances to specified persons

The Holding Company and it's subsidiary in India have not granted any loans or advances to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, except for the parties mentioned under note 46(b) that are:

- (a) Repayable on demand
- (b) Without specifying any terms or period of repayment

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x. Details of crypto currency or virtual currency

The Holding Company and it's subsidiary in India have not traded or invested in crypto currency or virtual currency during the current or prior year.

xi. Valuation of property, plant and equipment, right-of-use assets, intangible assets and investment properties

The Holding Company and it's subsidiary in India have not revalued its property, plant and equipment, right-of-use assets, intangible assets and investment properties during the current or previous year.

xii. Utilisation of borrowings taken from banks and financial institutions for specific purpose

The Holding Company and it's subsidiary in India have not availed borrowings from any banks or financial institutions during the year for a specific purpose.

xiii. Registration of charges or satisfaction with Registrar of Companies

The Holding Company and it's subsidiary in India have no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

48 Summary of other accounting policies

48.1 Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group except for common control transactions.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) Joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

(iii) Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment.

When the Group's share of loss in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

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(All amounts in ₹ crores unless otherwise stated)

48 Summary of other accounting policies (contd.)

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also estimated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 48.4 below.

The Group does not have any investments in associates.

(iv) Changes in ownership interests

When the Group ceases to consolidate or equity account for an investment because of a loss of control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

48.2 Property, plant and equipment

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All expenses in the nature of repairs and maintenance are charged to Consolidated Statement of profit and loss during the reporting period in which they are incurred.

The cost of property, plant and equipment which are not ready for their intended use at the balance sheet date, are disclosed as capital work-in-progress.

Disposals

Gains and losses on disposals are determined by comparing proceeds with the carrying amounts. These are accounted in Consolidated Statement of profit and loss within Other income/ Other expenses, on a net basis.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

48.3 Intangible assets

Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested for impairment at least annually, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Notes forming part of the consolidated financial statements

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(All amounts in ₹ crores unless otherwise stated)

48 Summary of other accounting policies (contd.)

Transition to Ind AS

On transition to Ind AS, the group has elected to continue with the carrying value of all of intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

48.4 Investment in joint ventures

Investments in joint ventures are carried at cost/ deemed cost, less accumulated impairment losses, 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 an asset's fair value less costs of disposal and value in use.

On disposal of investments in joint ventures, the difference between net disposal proceeds and the carrying amounts are recognised in the Consolidated Statement of Profit and Loss.

48.5 Financial instruments

A) Financial assets:

a) Recognition and measurement

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument.

On initial recognition, all financial assets except trade receivables are recognised at fair value. Financial assets are subsequently classified and measured at amortised cost. Financial assets are not reclassified subsequent to their recognition, except if and in the period the Group changes its business model for managing financial assets.

i) Loans

On initial recognition, Loans are measured at fair value. Since the objective is to hold these financial assets to collect contractual cash flows that are solely payments of principal and interest, these assets are subsequently measured at amortised cost using the EIR method less impairment, if any.

ii) Other financial assets:

On initial recognition, Other financial assets are measured at fair value, and subsequently, measured at the amortised cost, less impairment if any. Loss arising from impairment, if any is recognised in the Consolidated Statement of Profit and Loss.

b) Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

c) Impairment of financial assets

The Group applies Expected Credit Losses (ECL) model for measurement and recognition of loss allowance on trade receivables and other financial assets measured at amortised cost.

In case of trade receivables, the Group follows the provision matrix approach (as permitted by Ind AS 109) wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

In case of other financial assets, the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance. Subsequently, if the credit quality of the financial asset improve such that there is

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48 Summary of other accounting policies (contd.)

no longer a significant increase in credit risk since initial recognition, the Group reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive (i.e., cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Consolidated Statement of Profit and Loss under the head other expenses as 'Allowance for trade receivables, other financial assets and other assets (net)'.

d) Income recognition

Dividend income on investments is recognised and accounted for when the right to receive the payment is established, it probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

Interest income is accounted for on a time-proportion basis using effective interest rate method taking into account the amounts invested and the rate of interest, except for financial assets that subsequently become credit impaired.

For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

B) Financial Liabilities:

a) Recognition and measurement

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. On initial recognition, financial liabilities are measured at fair value and subsequently measured at amortised cost.

Trade and other payables

In case of trade and other payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest rate method.

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per credit period. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

b) Derecognition

The Group derecognises a financial liabilities when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

C) Off-setting of financial instruments

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

Notes forming part of the consolidated financial statements

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48 Summary of other accounting policies (contd.)

the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

48.6 Employee benefits

a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and performance incentives that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services rendered up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented under 'Other financial liabilities' in the Consolidated Balance Sheet.

b) Post-employment obligations

The Group's defined benefit plans comprise gratuity and pension.

Pension and gratuity obligations

The net liability or asset recognised in the Consolidated Balance Sheet in respect of pension and gratuity (defined benefit plans) is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Consolidated Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

These are plans in which the Group pays pre-defined amounts to funds administered by government authority and the Group does not have any legal or constructive obligation to pay additional sums. These comprise contributions in respect of Employees' Provident Fund, Employees' Pension Scheme, Employees' State Insurance, Superannuation fund and National Pension Scheme. The Group's payments to the defined contribution plans are recognised as employee benefit expenses when they are due.

c) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields of government bonds at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Consolidated Statement of Profit and Loss.

d) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier

Notes forming part of the consolidated financial statements

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48 Summary of other accounting policies (contd.)

of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

e) Share-based payments

Share based compensation benefits are provided to certain grades of employees in the form of United Spirits Limited- Stock Appreciation Rights Plan, a cash settled scheme, and various equity settled schemes managed by Diageo group.

Stock appreciation rights

Liabilities for the Group's share appreciation rights are recognised as employee benefit expense over the relevant service period. The liabilities are remeasured to fair value at each reporting date and are presented as current/ non-current provisions in the Consolidated Balance Sheet.

Diageo group share based payment arrangements

The fair value of equity settled share options based on shares of Diageo plc. (the ultimate holding Group) is initially measured at grant date and is charged to the Consolidated Statement of Profit and Loss over the vesting period, which is the period over which all of the specified vesting conditions are satisfied, and the credit is included in equity. At the end of each period, the Group revises its estimates of the number of options that are expected to vest based on the non-market and service conditions. It recognises the impact of revision to original estimate, if any, in profit or loss, with a corresponding adjustment to equity. Once the costs towards share option plans are cross charged by Diageo group companies, the same is accounted for as a reduction from equity. To the extent the amount or recharge exceeds the fair value of equity shares on the date of exercise, the same is recognised in the Consolidated Statement of Profit and Loss.

48.7 Income tax

Income tax expense is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from initial recognition of goodwill. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in Consolidated Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Notes forming part of the consolidated financial statements

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48 Summary of other accounting policies (contd.)

48.8 Earnings per share (EPS)

Basic EPS is arrived by dividing profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti-dilutive. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented in case of share splits.

48.9 Provisions and contingencies

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

A provision is made in respect of onerous contracts, i.e., contracts in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contracts. Provisions are not recognised for other future operating losses. The carrying amounts of provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

48.10 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Consolidated Statement of Profit and Loss over the period of the borrowings using the effective interest method.

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Consolidated Statement of Profit and Loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

48.11 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

Notes forming part of the consolidated financial statements

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48 Summary of other accounting policies (contd.)

48.12 Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions are 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 property, plant and equipment, it is recognised as deferred income and recognised as income in Consolidated Statement of Profit and Loss over the expected useful life of the related asset. When loan or similar assistance are provided by government or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is recognized at government rate. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received.

48.13 Exceptional items

When an item of income or expense within Consolidated Statement of profit and loss from ordinary activity is of such size, nature and incidence that its disclosure is relevant to explain more meaningfully the performance of the Group for the year, the nature and amount of such items is disclosed as exceptional items.

48.14 Equity

Own shares represent shares of the Group and those held in treasury by USL Benefit Trust. Pursuant to orders of the High Court of Karnataka and the High Court of Bombay, shares held in aforesaid trust have been treated as an investment.

Dividends - Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

48.15 Foreign currency translation

(i) Functional and presentation currency

The Consolidated financial statements are presented in Indian Rupee (₹), which is Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the Consolidated Statement of Profit and Loss.

(iii) Transaction of Group Companies

The results and financial position of foreign operations (none of which has the currency of a hyper inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet;
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognized in other comprehensive income as ‘Foreign currency translation reserve’.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings are recognized in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

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48 Summary of other accounting policies (contd.)

48.16 Rounding of amounts

All amounts disclosed in the Consolidated financial statements and notes have been rounded off to the nearest crores as per the requirement of Schedule III (Division II) to the Act, unless otherwise stated. The sign ‘0’ in these financial statements indicates that the amounts involved are below ₹ fifty lakhs and the sign ‘-’ indicates that amounts are nil.

For Price Waterhouse & Co Chartered Accountants LLP
Firm registration number: 304026E/E-300009

For and on behalf of the Board of Directors

Dibyendu Majumder
Partner
Membership number: 057687

V K Viswanathan
Chairman
DIN: 01782934
Place : Bengaluru

Praveen Someshwar
Managing Director & Chief Executive Officer
DIN: 01802656
Place : Bengaluru

Mital Sanghvi
Company Secretary
Place : Bengaluru

Pradeep Jain
Executive Director & Chief Financial Officer
DIN: 02110401
Place : Bengaluru

Place : Bengaluru
Date : May 20, 2025

Date : May 20, 2025

Corporate Information

Executive Director and Chief Financial Officer

Pradeep Jain

Vice President - Treasury & Company Secretary

Mital Sanghvi

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