

18th May 2023

BSE Limited
Listing Department
Dalal Street,
Mumbai 400 001
Scrip Code: 532432

National Stock Exchange of India Limited
Exchange Plaza, C-1 Block G,
Bandra Kurla Complex,
Bandra East, Mumbai- 400051
Scrip Code: MCDOWELL-N

Dear Sirs,

Sub: Intimation of audited financial results for the quarter and the year ended 31st March 2023 pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors of the Company at their meeting held today has *inter-alia* approved the Audited Financial results (Standalone and Consolidated) for the quarter and year ended 31st March 2023. The said results in the prescribed format along with Statutory Auditors' Report with an unmodified opinion are enclosed herewith.

The meeting commenced at 14:30 hours IST and concluded at 18:10 hours IST. Also note that the aforesaid information will be available on our website www.diageoindia.com.

Thank you.

For United Spirits Limited

Mital Sanghvi
Company Secretary

Encl: as above



UNITED SPIRITS LIMITED

A DIAGEO Group Company

'UB Tower', # 24, Vittal Mallya Road, Bangalore - 560 001

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Standalone Statement of Financial Results for the quarter and year ended March 31, 2023

(INR in Millions except for earnings per share data)

Particulars	3 months ended March 31, 2023	3 months ended December 31, 2022	3 months ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
	Refer Note 11	Unaudited	Refer Note 11	Audited	
1 Income					
(a) Revenue from operations	57,826	66,122	77,322	275,775	307,731
(b) Other income	169	232	166	742	337
Total income	57,995	66,354	77,488	276,517	308,068
2 Expenses:					
(a) Cost of materials consumed	7,568	14,191	11,230	53,370	47,894
(b) Purchase of stock-in-trade	4,769	808	1,724	8,642	5,773
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,286	1,531	1,179	(1,294)	(828)
(d) Excise duty	32,888	38,311	52,316	172,038	213,494
(e) Employee benefits expense	1,219	1,608	1,395	6,071	6,496
(f) Depreciation and amortisation expense	684	636	751	2,706	2,886
(g) Others:					
(i) Advertisement and sales promotion	3,444	2,768	1,312	9,199	6,892
(ii) Loss allowance on trade receivables and other financial assets (net)	(138)	(34)	(71)	(120)	(129)
(iii) Other expenses	3,410	3,261	3,951	13,682	13,035
(h) Finance costs	360	243	187	1,039	880
Total expenses	55,490	63,323	73,974	265,333	296,393
3 Profit before exceptional items and tax (1 - 2)	2,505	3,031	3,514	11,184	11,675
4 Exceptional items, net (Refer Note 8)	(112)	(1,511)	(1,201)	1,709	(1,560)
5 Profit before tax (3 + 4)	2,393	1,520	2,313	12,893	10,115
6 Income tax expense					
(a) Current tax	659	409	396	2,817	1,730
(b) Current tax relating to earlier years	(294)	(3)	(51)	(297)	(243)
(c) Deferred tax charge / (credit)	(12)	9	67	(144)	119
Total tax expense	353	415	412	2,376	1,606
7 Profit for the period (5 - 6)	2,040	1,105	1,901	10,517	8,509
8 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	(6)	-	55	(6)	165
(ii) Income tax credit / (charge) relating to above	1	-	(13)	1	(41)
Total other comprehensive income, net of income tax	(5)	-	42	(5)	124
9 Total Comprehensive Income (7 + 8)	2,035	1,105	1,943	10,512	8,633
10 Paid up Equity Share Capital (Face value of INR 2/- each)	1,455	1,455	1,455	1,455	1,455
11 Other Equity				57,990	47,468
12 Earnings per share of INR 2/- each:					
Basic and Diluted (in INR)	2.80	1.52	2.61	14.46	11.70

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Consolidated Statement of Financial Results for the quarter and year ended March 31, 2023

(INR in Millions except for earnings per share data)

	3 months ended March 31, 2023	3 months ended December 31, 2022	3 months ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
	Refer Note 11	Unaudited	Refer Note 11	Audited	
1 Income					
(a) Revenue from operations	57,916	66,098	77,673	278,154	310,618
(b) Other income	180	213	238	731	355
Total income	58,096	66,311	77,911	278,885	310,973
2 Expenses:					
(a) Cost of materials consumed	7,645	14,097	11,226	53,370	47,969
(b) Purchase of stock-in-trade	4,769	808	1,724	8,642	5,773
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,209	1,531	1,180	(1,371)	(827)
(d) Excise duty	32,888	38,311	52,316	172,038	213,494
(e) Employee benefits expense	1,241	1,610	1,424	6,100	6,531
(f) Depreciation and amortisation expense	688	647	774	2,825	3,038
(g) Others:					
(i) Advertisement and sales promotion	3,420	2,790	1,332	9,218	6,949
(ii) Loss allowance on trade receivables and other financial assets (net)	(138)	(34)	(71)	(120)	(129)
(iii) Other expenses	4,527	3,267	4,224	16,108	14,777
(h) Finance costs	360	244	165	1,039	880
Total expenses	56,609	63,271	74,294	267,849	298,455
3 Profit before share of net profit / (loss) in associates, exceptional items and tax (1-2)	1,487	3,040	3,617	11,036	12,518
4 Share of net profit / (loss) in associate	(4)	(2)	-	(14)	-
5 Profit before exceptional items and tax (3+4)	1,483	3,038	3,617	11,022	12,518
6 Exceptional items, net (Refer Note 8)	(180)	(1,487)	(1,204)	1,764	(1,652)
7 Profit before tax (5 + 6)	1,303	1,551	2,413	12,786	10,866
8 Income tax expense					
(a) Current tax	656	392	558	2,814	2,593
(b) Current tax relating to earlier years	(294)	(872)	(55)	(1,159)	(247)
(c) Deferred tax charge / (credit)	(87)	(111)	124	(127)	414
Total tax expense	275	(591)	627	1,528	2,760
9 Profit for the period (7-8)	1,028	2,142	1,786	11,258	8,106
10 Other Comprehensive Income					
A. Items that will be reclassified to profit or loss					
(i) Exchange differences on translation of foreign operations	(62)	58	13	(17)	1
B. Items that will not be reclassified to profit or loss					
(i) Remeasurements of post-employment benefit plans	(6)	-	54	(6)	164
(ii) Income tax credit / (charge) relating to above	1	-	(13)	1	(41)
Total other comprehensive income, net of income tax	(67)	58	54	(22)	124
11 Total Comprehensive Income (9+10)	961	2,200	1,840	11,236	8,230
12 Paid up Equity Share Capital (Face value of INR 2/- each)	1,455	1,455	1,453	1,455	1,453
13 Other Equity				58,540	48,084
14(a) Profit/ (loss) attributable to:					
Owners	1,028	2,142	1,817	11,363	8,286
Non-controlling interest	-	-	(31)	(105)	(180)
	1,028	2,142	1,786	11,258	8,106
14(b) Other comprehensive income attributable to:					
Owners	(67)	58	54	(22)	124
Non-controlling interest	-	-	-	-	-
	(67)	58	54	(22)	124
14(c) Total comprehensive income attributable to: [14(a) + 14(b)]					
Owners	961	2,200	1,871	11,341	8,410
Non controlling Interest	-	-	(31)	(105)	(180)
	961	2,200	1,840	11,236	8,230
15 Earnings per share of INR 2/- each: [Refer Note below]					
Basic and Diluted (in INR)	1.45	3.02	2.56	16.01	11.68

Note:

Own shares of the Company held by USL Benefit Trust (of which the Company is the sole beneficiary) have been reduced in determining the weighted average outstanding equity shares used in the computation of 'Earnings per share', presented for all the periods in Consolidated Financial Results."

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Standalone Statement of Assets and Liabilities as at March 31, 2023

(INR in Millions)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	Audited	
ASSETS		
Non-current assets		
Property, plant and equipment	9,783	12,014
Right-of-use assets	1,726	2,606
Capital work-in-progress	668	877
Intangible assets	312	246
Intangible assets under development	160	80
Investment Property	253	-
Financial assets		
Investments in subsidiaries and associate	2,059	2,169
Other financial assets	1,462	1,481
Deferred tax assets (net)	1,573	1,428
Current tax assets (net) (Non-current)	13,114	12,087
Other non-current assets	2,392	2,342
Total non-current assets	33,502	35,330
Current assets		
Inventories	22,300	21,643
Financial assets		
Investments	2,558	2,221
Trade receivables	23,828	23,021
Cash and cash equivalents	814	270
Bank balances other than cash and cash equivalents	7,682	58
Loans	1,087	1,388
Other financial assets	1,365	806
Other current assets	2,578	2,490
Total current assets	62,212	51,897
Total assets	95,714	87,227
EQUITY AND LIABILITIES		
EQUITY		
Share capital	1,455	1,453
Share suspense	-	2
Other equity		
Reserves and surplus	57,990	47,468
Total equity	59,445	48,923
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Borrowings	3	9
Lease liabilities	800	1,341
Provisions	123	149
Total non-current liabilities	926	1,499
Current liabilities		
Financial liabilities		
Borrowings	8	3,408
Lease liabilities	1,022	1,296
Trade payables		
(A) total outstanding dues of micro and small enterprises	502	792
(B) total outstanding dues of creditors other than micro and small enterprises	16,881	14,487
Other financial liabilities	2,846	1,926
Provisions	3,715	4,859
Current tax liabilities (net)	2,829	1,904
Other current liabilities	7,540	8,133
Total current liabilities	35,343	36,805
Total liabilities	36,269	38,304
Total equity and liabilities	95,714	87,227

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Consolidated Statement of Assets and Liabilities as at March 31, 2023

(INR in Millions)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
	Audited	
ASSETS		
Non-current assets		
Property, plant and equipment	9,783	12,152
Right-of-use assets	1,726	2,606
Capital work-in-progress	668	877
Goodwill	13	210
Intangible assets	3,567	3,580
Intangible assets under development	160	80
Investment Property	253	-
Financial assets		
Investments	301	-
Other financial assets	1,462	1,485
Deferred tax assets (net)	1,573	1,478
Current tax assets (net) (Non-current)	13,356	12,614
Other non-current assets	2,407	2,397
Total non-current assets	35,269	37,479
Current assets		
Inventories	22,300	21,567
Financial assets		
Investments	2,558	2,221
Trade receivables	24,340	23,736
Cash and cash equivalents	1,151	545
Bank balances other than cash and cash equivalents	7,682	58
Loans	163	113
Other financial assets	1,360	772
Other current assets	2,792	2,622
Total current assets	62,346	51,634
Total assets	97,615	89,113
EQUITY AND LIABILITIES		
EQUITY		
Share capital	1,455	1,453
Other equity		
Reserves and surplus	58,540	48,084
Equity attributable to the owners of the United Spirits Limited	59,995	49,537
Non-controlling interests	-	(789)
Total equity	59,995	48,748
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Borrowings	3	9
Lease liabilities	800	1,341
Provisions	123	149
Deferred tax liabilities	451	483
Total non-current liabilities	1,377	1,982
Current liabilities		
Financial liabilities		
Borrowings	8	3,408
Lease liabilities	1,022	1,296
Trade payables		
(A) total outstanding dues of micro and small enterprises	503	793
(B) total outstanding dues of creditors other than micro and small enterprises	17,322	15,028
Other financial liabilities	2,846	1,823
Provisions	3,731	4,880
Current tax liabilities (net)	2,829	2,765
Other current liabilities	7,982	8,390
Total current liabilities	36,243	38,383
Total liabilities	37,620	40,365
Total equity and liabilities	97,615	89,113

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

(INR in Millions)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	Audited	
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	12,893	10,115
Adjustments for		
Depreciation, amortisation and impairment expense	2,706	2,886
Employee share-based payment expense	233	252
Loss allowance on trade receivables and other financial assets (net)	(120)	(129)
Provision for doubtful other assets (net)	173	158
Profit on sale of investments	(166)	-
Increase in fair value of investments	(25)	-
Exchange (gain) / loss (net) on translation of foreign currency monetary assets and liabilities	7	(4)
Finance costs	1,039	880
Gain on disposal of property, plant and equipment (net)	(203)	(123)
Interest income	(342)	(194)
Exceptional items, net (Refer Note 8)	(1,709)	1,560
Operating profit before changes in working capital	14,486	15,401
(Increase) / decrease in trade receivables	(2,966)	(1,603)
(Increase) / decrease in loans and other financial assets	(916)	1,747
(Increase) / decrease in other assets	(1,158)	(343)
(Increase) / decrease in inventories	(2,543)	(1,125)
Increase / (decrease) in trade payables	2,200	969
Increase / (decrease) in other financial liabilities	97	3
Increase / (decrease) in other liabilities	925	(528)
Increase / (decrease) in provisions	(1,394)	(832)
Cash generated from operations	8,731	13,689
Income taxes paid (net of refund)	(2,965)	(4,576)
Net cash generated from operating activities (A)	5,766	9,113
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(1,397)	(1,346)
Proceeds from sale of property, plant and equipment	265	383
Purchase of current Investments	(95,295)	(14,356)
Redemption of current Investments	87,523	12,135
Investment in an associate	(315)	-
Investment in a subsidiary	-	(148)
Proceeds from sale of a business undertaking	8,180	-
Proceeds from sale of a subsidiary	320	-
Remittance upon liquidation of a subsidiary	-	89
Proceeds from disposal of investment in an associate	-	5
Loans given to subsidiaries	(3,263)	(2,499)
Repayment of loans by subsidiaries	3,613	3,210
Loans given to others	(80)	(100)
Repayment of loans given to others	32	-
Interest received	204	170
Net cash inflow/ (outflow) from investing activities (B)	(213)	(2,457)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net proceeds / (repayment) of working capital loans	(3,392)	(5,357)
Repayment of deferred sales tax liability	(14)	(20)
Interest paid on borrowings	(203)	(380)
Principal repayment of lease liabilities	(1,240)	(1,002)
Interest paid on lease liabilities	(160)	(119)
Net cash inflow/ (outflow) from financing activities (C)	(5,009)	(6,878)
Net increase / (decrease) in cash and cash equivalents [D = A+B+C]	544	(222)
Cash and cash equivalents as at the beginning of the year (E)	270	492
Cash and cash equivalents taken over on account of amalgamation	-	0
Effects of exchange rate changes on cash and cash equivalents	-	-
Net increase / (decrease) in cash and cash equivalents	544	(222)
Cash and cash equivalents as at the end of the year [D+E]	814	270

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Consolidated Statement of Cash flows for the year ended March 31, 2023

(INR in Millions)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
	Audited	
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	12,786	10,866
Adjustments for		
Depreciation, amortisation and impairment expense	2,825	3,038
Employee share-based payment expense	233	255
Loss allowance on trade receivables and other financial assets (net)	(120)	(129)
Provision for doubtful other assets (net)	173	158
Profit on sale of investment property	-	(6)
Profit on sale of investments	(166)	-
Increase in fair value of investments	(25)	-
Exchange gain (net) on translation of assets and liabilities	7	1
Finance costs	1,039	880
Liabilities, provisions no longer required written back	(4)	(134)
Gain on disposal of property, plant and equipment (net)	(203)	(123)
Interest income	(320)	(61)
Share of net (profit)/loss in associate accounted for using equity method	14	-
Exceptional items, net (Refer Note 8)	(1,764)	1,652
Operating profit before changes in working capital	14,475	16,397
(Increase) / decrease in trade receivables	(2,762)	(2,051)
(Increase) / decrease in loans and other financials assets	(960)	1,849
(Increase) / decrease in other assets	(1,233)	(455)
(Increase) / decrease in inventories	(2,619)	(1,048)
Increase / (decrease) in trade payables	2,027	1,227
Increase / (decrease) in other financial liabilities	182	(101)
Increase / (decrease) in other liabilities	1,111	(647)
Increase / (decrease) in provisions	(1,399)	(827)
Cash generated from operations	8,822	14,344
Income taxes paid (net of refund)	(2,675)	(4,570)
Net cash generated from operating activities (A)	6,147	9,774
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(1,366)	(1,340)
Proceeds from sale of property, plant and equipment	265	384
Purchase of current Investments	(95,295)	(14,356)
Redemption of current Investments	87,523	12,135
Proceeds from sale of a business undertaking	8,180	-
Proceeds from sale of a subsidiary	320	-
Investment in an associate	(315)	-
Proceeds from disposal of investment in an associate	-	5
Loans given to others	(80)	(100)
Repayment of loans given to others	32	-
Interest received	204	64
Proceeds from sale of investment property	-	81
Net cash inflow / (outflow) from investing activities (B)	(532)	(3,127)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net proceeds / (repayment) of working capital loans	(3,392)	(5,357)
Repayment of deferred sales tax liability	(14)	(20)
Interest paid on borrowings	(203)	(382)
Principal repayment of lease liabilities	(1,240)	(1,002)
Interest paid on lease liabilities	(160)	(119)
Net cash inflow / (outflow) from financing activities (C)	(5,009)	(6,880)
Net increase / (decrease) in cash and cash equivalents [D = A+B+C]	606	(233)
Cash and cash equivalents as at the beginning of the year (E)	545	778
Effects of exchange rate changes on cash and cash equivalents	0	0
Net increase / (decrease) in cash and cash equivalents	606	(233)
Cash and cash equivalents as at the end of the year [D+E]	1,151	545

United Spirits Limited

Notes to the Unaudited Standalone and Consolidated Statements of Financial Results for the quarter and year ended March 31, 2023

1. United Spirits Limited ('the Company' or 'the Holding 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 in certain states. In addition, Royal Challengers Sports Private Limited, a subsidiary of the Company, holds the right to the Royal Challengers Bangalore (RCB) cricket franchise of the Indian Premier League (IPL) and have recently acquired franchise rights for the Women's Premier League in January 2023.

The Executive Committee of the Company which has been identified as the Chief Operating Decision Maker of the Company assesses performance and allocates resources for the business of the Group as a whole and hence the management considers Group's business activities as a single operating segment.

2. The consolidated results include the following subsidiaries and a trust controlled by the Company ('the Group'):

Indian subsidiaries:

- Pioneer Distilleries Limited ("PDL") (amalgamated with the Company pursuant to order of the National Company Law Tribunal dated November 4, 2022)
- Royal Challengers Sports Private Limited
- Sovereign Distilleries Limited (Sold on January 24, 2023)

Overseas subsidiaries:

- 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
- United Spirits (Shanghai) Trading Company Limited (ceased to be a subsidiary w.e.f January 12, 2023)
- United Spirits Singapore Pte Ltd (ceased to be a subsidiary w.e.f November 04, 2022)

Trusts controlled by the Company:

- USL Benefit Trust

The consolidated results also include the Group's share of total comprehensive loss (comprising loss for the period and other comprehensive income) of the following associate company:

- Nao Spirits & Beverages Private Limited (w.e.f. from April 29, 2022) (equity ownership interest of 9.3%) (Refer to note 9)

3. These Standalone and Consolidated Statements of Financial Results have been prepared in accordance with the applicable Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015 (as amended)] and other accounting principles generally accepted in India.

Notes to the Standalone and Consolidated Statements of Financial Results for the quarter and year months ended March 31, 2023 – Contd.

4. 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 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 INR 134 million 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.

As disclosed in each of the annual financial statements commencing from the year ended March 31, 2014, 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.

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 is taking steps to implement this plan and has liquidated three overseas subsidiaries, merged one overseas subsidiary into another, amalgamated one Indian subsidiary with the Company and sold three subsidiaries, one of which was overseas and the other two in India. The Rationalisation Process 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.

United Spirits Limited

Notes to the Standalone and Consolidated Statements of Financial Results for the quarter and year months ended March 31, 2023 – Contd.

(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. “break up” 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 (vii) Asian Opportunities and Investments Limited and (viii) United Spirits (Shanghai) Trading Company Limited (until the date of liquidation) and (ix) United Spirits Singapore Pte Ltd (until the date of voluntary winding up). Accordingly, assets and liabilities of such subsidiaries have been recognised as current at their fair values that approximate to their carrying values as at March 31, 2023. Such remeasurement did not have any material impact on the consolidated financial results.

(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 INR 13,374 million 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 has made provision in prior financial years for the entire principal amount due of INR 13,374 million, and for the accrued interest of INR 846 million up to March 31, 2014. The Company has not recognised interest income on said loan after March 31, 2014 which cumulatively amounts to INR 11,074 million up to March 31, 2023. The Company has cumulatively offset INR 2,062 million payable to UBHL arising under a trademark agreement against the principal amount of loan and interest accrued thereon receivable.

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 has issued notice pursuant thereto on the Official Liquidator and the hearing has commenced. Notwithstanding the arbitral award, based on management assessment supported by an external legal opinion, the Company has offset payable to UBHL under the trademark agreement against the balance of loan receivable from UBHL. The Company has filed its claim with the Official Liquidator. The management has attended meetings and exchanged certain correspondence with the official liquidator during the year ended March 31, 2023 in relation to the claim filed and the set-off.

(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 INR 459 million 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 INR 459 million 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.

United Spirits Limited

Notes to the Standalone and Consolidated Statements of Financial Results for the quarter and year months ended March 31, 2023 – Contd.

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 INR 459 million 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. There have been no developments with respect to this matter during the year ended March 31, 2023.

(e) Difference in yield of certain non-potable intermediates and associated process losses

As disclosed in each of the annual financial statements commencing from year ended March 31, 2019, the Company came across information suggesting continuing past practices that may have resulted in yields of certain non-potable intermediates and associated process losses in the liquor manufacturing process being higher than what has been reported to the relevant regulatory authorities (the 'Authorities') as per the records being maintained in certain plants (the 'Affected Plants').

With prior information to, and engagement with, the Authorities, the Company also engaged independent third-party experts to undertake a physical verification of the inventory of intermediates on a sample basis in the Affected Plants and shared these reports with the Authorities. Based on the understanding and discussion with such Authorities and advice received from external legal counsels, the Company has discharged and provided the amounts of financial obligation (which were determined to be not material) in the financial statements.

Under the direction of the board of directors, the management had engaged an independent law firm to conduct a review of past practices in this area and during the quarter ended June 30, 2019, taken appropriate action, where a violation of the Company's code of business conduct had occurred.

Considering the remedial actions taken by the management over the past years, including but not limited to engagement with appropriate state excise authorities, obtaining external assessments of process loss on intermediaries, disclosing such non-potable intermediates and associated process losses in filing/submissions to the excise authorities and together with recent independent legal advices obtained on this matter, the Management is of the view that any potential risk is remote.

5. Amalgamation of Pioneer Distilleries Limited ("PDL") with the Company

The Board of Directors ("Board") of PDL and of the Company at their respective meetings held on December 2, 2019 considered and approved a scheme of amalgamation and arrangement (the "Scheme") in relation to the amalgamation of PDL with the Company under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules thereunder. The scheme was approved by the National Company Law Tribunal (NCLT) on November 4, 2022. The Scheme provides for an appointed date of April 1, 2021. The Company received the certified copy of the NCLT order on December 2, 2022 and has filed the orders with the Registrar of Companies (RoC) on December 30, 2022. Pursuant to filing of the orders with the RoC PDL was wound up without liquidation.

In accordance with the terms of the approved Scheme, the non-promoter shareholders of PDL were to receive 10 equity shares of the Company (face value of INR 2 each) for every 47 equity shares of PDL (face value of INR 10 each), held by them as on January 06, 2023 ('record date'). Allotment of 712,138 equity shares to the non-promoter shareholders of PDL was completed on January 13, 2023.

United Spirits Limited

Notes to the Standalone and Consolidated Statements of Financial Results for the quarter and year months ended March 31, 2023 – Contd.

As a result, issued capital of the Company increased by 712,138 equity shares and the revised shareholding of Relay BV (the holding company, a subsidiary of Diageo plc) in the Company has changed from 55.94% to 55.88% as on the record date.

The amalgamation of PDL has been recorded in the standalone statement of financial results using the pooling of interest method as specified by Appendix C to Ind AS 103, *Business combination of entities under common control*. The accounting treatment followed by the Company is in accordance with the accounting treatment specified in the approved Scheme. In accordance with the said Ind AS principles, amalgamation of PDL has been given effect with effect from April 1, 2021 and the comparative balances for all the prior periods presented in the standalone statement of financial results have been restated.

In giving effect to the amalgamation:

(a) The Company has recognised deferred tax credit of INR 832 million on April 1, 2021 in relation to unrecognised brought forward losses and deductible temporary differences of PDL. The availability of the aforesaid brought forward losses and deductible temporary differences relating to PDL has resulted in a reduction in current tax provision to the extent of INR 768 million for the year ended March 31, 2022.

(b) Pursuant to the amalgamation, the Company has recorded a provision towards a water dispute matter which was hitherto recorded in the books of PDL. Prior to the approval of the scheme, PDL had filed a write petition before the High Court of Bombay against the order of Primary Dispute Resolution Officer, Maharashtra Water Resources Regulatory Authority (MWRRA) challenging multiple demands raised for increased water charges. PDL has deposited INR 45 million “under protest” as of March 2023 with MWRRA, including an amount of INR 30 million deposited as per High Court’s directions, in lieu of an undertaking by MWRRA that it will not undertake any coercive action.

Based on an internal assessment and a legal opinion, Management believes that the Company is carrying adequate provision in the books for the probable rates of water charges applicable to the Company, any further cash outflow on account of this matter is considered as remote.

In the consolidated statements of financial results, brought forward losses and deductible temporary differences of PDL became available for offset against profits of the Company on the date of approval of the Scheme by the NCLT. Accordingly, an additional deferred tax credit of INR 126 million on deductible differences on account of amalgamation upto the date of NCLT order has been recognised in the quarter ended December 31, 2022. Additionally, the amalgamation has resulted in reversal of excess current tax provision for earlier years amounting to INR 862 million on account of utilisation of losses of PDL which has been recognized in the quarter ended December 31, 2022.

6. Further to the announcement on May 27, 2022, the Company, on September 30, 2022: (i) completed the slump sale of the entire business undertaking associated with 32 brands in the ‘Popular’ segment to Inbrew Beverages Private Limited (“Inbrew”); and (ii) given effect to the franchise of 11 other brands in the ‘Popular’ segment in favour of Inbrew for a period of five years, with an option for Inbrew, subject to certain 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 (collectively, the “Transaction”).

In line with the terms of the slump sale agreement, all the assets and liabilities related to the business undertaking have been transferred to Inbrew for a consideration of INR 8,180 million (after certain pre-closure adjustments) and a profit on sale of the business undertaking amounting to INR 3,796 million (net-off costs attributable towards sale and accruals) is recognized as an ‘exceptional item’ in the standalone and consolidated financial results for the year ended March 31, 2023.

As per the agreement, a portion of the consideration amounting to INR 626 million is held under an escrow arrangement which would be settled within a period of 12 months from the date of closure, upon satisfaction of certain specified conditions by the Company, failing which the amount forfeits. Accordingly, the company has determined the profit on sale by considering a part of the amount held in escrow and the balance will be recognized on satisfaction of the conditions. The figures of the previous periods in the statement of financial results are not comparable as a result of this transaction.

United Spirits Limited

Notes to the Standalone and Consolidated Statements of Financial Results for the quarter and year months ended March 31, 2023 – Contd.

7. Supply Agility Programme

The Board of Directors of the 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, the Company has recognised a provision of INR 1,574 million under exceptional items, towards the impairment loss on property, plant and equipment covered under the programme by writing down their carrying amounts to net realizable values which includes provision on certain land holdings having regulatory risks (impaired based on independent valuation) and severance cost relating to a closed unit, in the standalone and consolidated statements of financial results. (Refer Note 8).

8. Exceptional items

Sl. No	Description	Amount in INR Million			
		Quarter ended March 31, 2023 Income / (Expense)		Year ended March 31, 2023 Income / (Expense)	
		Standalone	Consolidated	Standalone	Consolidated
1	Profit on sale of Business Undertaking (Refer note 6)	(19)	(19)	3,796	3,796
2	Impairment of investment/recoverable value in a subsidiary*	(6)	-	(129)	-
3	Loss on sale of a subsidiary (Refer Note 10)	-	(74)	-	(74)
4	Voluntary Separation Scheme **	-	-	(384)	(384)
5	Supply Restructuring Cost (Refer note 7)	(87)	(87)	(1,574)	(1,574)
	Total	(112)	(180)	1,709	1,764

* Management has determined the recoverable amount of the investment in and loan recoverable from Sovereign Distilleries Limited (SDL) as on March 31, 2023 basis which an impairment charge of INR 129 million is recognised in the standalone financial results for the year ended March 31, 2023.

**During the quarter ended June 30, 2022, the Company announced a Voluntary Separation Scheme (VSS) covering permanent workmen at four factories. Pursuant to the Scheme, the Company has recognised an amount of INR 384 million as employee separation costs which is presented as an exceptional item in the standalone and consolidated statements of financial results for the year ended March 31, 2023.

United Spirits Limited

Notes to the Standalone and Consolidated Statements of Financial Results for the quarter and year months ended March 31, 2023 – Contd.

9. Investment in Nao Spirits:

During the year, the company completed the acquisition in Nao Spirits & Beverages Private Limited (“Nao Spirits”) by investing INR 315 million by subscribing to 8,094 Compulsory Convertible Preference Shares and 4,670 equity shares of Nao Spirits, resulting in the Company holding 22.5% ownership interest on a fully diluted basis.

In accordance with the Share Subscription and Shareholder’s Agreement (SSHA), 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 March 31, 2025. The exercise price of the call option shall be determined in accordance with a formula specified in the Shareholder’s Agreement.

The Company sought a Board Approval on January 24, 2023 to infuse additional investment of INR 150 million in Nao Spirits consequent to which the company's holding in NAO spirits will increase from 22.5% to 30% on a fully diluted basis. As mentioned in the SSHA, the company is awaiting the conditions precedent to be completed by NAO spirits before the infusion of additional investment.

10. On January 24, 2023, the Company completed the sale of its equity shares held by the Company in its wholly owned subsidiary, Sovereign Distilleries Limited (SDL) to a third party. The shares were sold for a total consideration of INR 320 million. Following the completion of the sale, SDL ceased to be a subsidiary of the Company.

Net assets of INR 395 million (including Goodwill of INR 197 million) has been de-recognised from the consolidated statements of financial results on account of this sale transaction, resulting into a loss of INR 74 million for the quarter and year ended March 31, 2023 which has been presented under exceptional items.

11. Figures for the quarters ended March 31, 2023 and March 31, 2022, are the balancing figures between audited figures in respect of the respective full financial years and the published year-to-date figures up to the third quarter of the respective financial years, as adjusted for certain regroupings/ reclassifications.
12. The Statement of Standalone and Consolidated Financial Results for the quarter and year ended March 31, 2023, have been reviewed by the Audit Committee of the Company and approved by the Board of Directors of the Company at their meetings held on May 18, 2023.

By authority of the Board

**DIBYENDU
MAJUMDER** Digitally signed by
DIBYENDU MAJUMDER
Date: 2023.05.18
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Place: Mumbai
Date: May 18, 2023

**HINA
NAGARAJAN** Digitally signed by HINA
NAGARAJAN
Date: 2023.05.18 16:32:25
+05'30'

Hina Nagarajan
Managing Director and Chief Executive Officer

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of United Spirits Limited

Report on the Audit of the Consolidated Financial Results

Opinion

1. We have audited the accompanying consolidated financial results of United Spirits Limited (Holding Company), its subsidiaries and the trust (together referred to as "the Group") and its associate Company (Refer Note 2 to the consolidated financial results) for the year ended March 31, 2023, the consolidated statement of assets and liabilities and the consolidated statement of cash flows as at and for the year ended on that date which are included in the accompanying 'Consolidated Statement of Financial Results for the quarter and year ended March 31, 2023', 'Consolidated Statement of Assets and Liabilities as at March 31, 2023', 'Consolidated Statement of Cash Flows for the year ended March 31, 2023', together with notes thereon, attached herewith (hereinafter referred to as the "Consolidated Financial Results"), being submitted by the Holding company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate financial statements of the overseas subsidiaries and a trust controlled by the Holding Company, the aforesaid Consolidated Financial Results:
 - a. includes the results of the following entities:

Indian subsidiaries

- Royal Challengers Sports Private Limited
- Sovereign Distilleries Limited (ceased to be a subsidiary from January 24, 2023)

Overseas subsidiaries

- Asian Opportunities and Investments Limited
- McDowell & Co. (Scotland) Limited
- Palmer Investment Group Limited
- Shaw Wallace Overseas Limited
- United Spirits (Great Britain) Limited
- United Spirits (Shanghai) Trading Company Limited (ceased to be a subsidiary from January 12, 2023)
- United Spirits Singapore Pte Ltd (ceased to be a subsidiary from November 04, 2022)
- United Spirits (UK) Limited
- USL Holdings Limited
- USL Holdings (UK) Limited

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Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC 4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304028E/E300000 (ICAI registration number before conversion was 304028E)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of United Spirits Limited
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Trust controlled by the Holding Company

- USL Benefit Trust

The Consolidated Financial Results also include the Group's share of total comprehensive income (comprising loss for the year and other comprehensive income) of the following associate company:

- Nao Sprits & Beverages Private Limited (w.e.f. April 29, 2022)

b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations, as amended; and

c. gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Group and its associate company for the year ended March 31, 2023 and the consolidated statement of assets and liabilities and the consolidated statement of cash flows as at and for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act) and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Results' section of our report. We are independent of the Group and its associate company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in paragraph 13 and 14 of the "Other Matter" paragraph below, other than the unaudited financial information as certified by Management and referred to in paragraph 15 of the "Other Matter", is sufficient and appropriate to provide a basis for our opinion.

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of United Spirits Limited
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Emphasis of Matter

4. We draw attention to the following matters:
- a) As explained in Note 4(a) to the Consolidated Financial Results regarding the uncertainties post completion of the Initial Inquiry, which identified references to certain Additional Parties and certain Additional matters, the then MD & 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 Holding Company's erstwhile non-executive Chairman and other potentially improper transactions. Post completion of Additional Inquiry certain regulatory notices and communications were received from Securities and Exchange Board of India, Directorate of Enforcement and Authorised Dealer banks to which the Holding Company has responded. Subsequently, the Holding 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 Holding 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 or recognised as 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) As explained in Note 4(d) to the Consolidated Financial Results, 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 INR 459 million demanded by the bank and as directed by the High Court of Karnataka (the "Court"). Based on management assessment supported by external legal opinions, the Holding Company has disclosed the aforesaid amount of INR 459 million 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 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.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of United Spirits Limited
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Management's Responsibilities for the Consolidated Financial Results

5. These Consolidated Financial Results have been prepared on the basis of the consolidated financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group and the associate company in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its associate company and the trustees of the Trust are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associate company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Results 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 results by the Directors of the Holding Company, as aforesaid.
6. In preparing the Consolidated Financial Results, the respective Board of Directors of the companies included in the Group and of its associate company and the trustees of the Trust are responsible for assessing the ability of the Group and of its associate company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board Directors either intends to liquidate the Group and its associate company or to cease operations, or has no realistic alternative but to do so.
7. The respective Board of Directors of the companies and the trustees of the Trust included in the Group and of its associate company are responsible for overseeing the financial reporting process of the Group and of its associate company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

8. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinion. Reasonable assurance is a high level 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 Results.

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

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9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - a) Identify and assess the risks of material misstatement of the Consolidated Financial Results, 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 controls.
 - b) Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
 - d) Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate company 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 Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate company to cease to continue as going concern.
 - e) Evaluate the overall presentation, structure and content of the Consolidated Financial Results, including the disclosures, and whether the Consolidated Financial Results 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 within the Group and financial information of its associate company to express an opinion on the Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Consolidated Financial Results of which we are the independent auditors. For the other entities included in the Consolidated Financial Results, 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.
10. We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Results 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.

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INDEPENDENT AUDITOR'S REPORT

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11. 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.
12. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matter

13. We did not audit the financial statements of one trust controlled by the Holding Company and incorporated in India, included in the Consolidated Financial Results, whose financial statements reflect total assets of INR 41 million and net assets of INR 41 million, total revenues of Nil, and total comprehensive loss (comprising of loss and other comprehensive income) of 0* and net cash flows of Nil for the year ended March 31, 2023, 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 the 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 Results insofar as it relates to the balances and affairs of the trust, including other information, is based on the report of the other auditor and the conversion adjustments prepared by the Management of the Holding Company as necessary and audited by us.

(*) '0' indicates that the amounts involved are below INR five lakhs.

14. We did not audit the financial statements of 8 subsidiaries located outside India, included in the Consolidated Financial Results, whose financial statements constitute total assets of INR 220 million and net assets of INR 200 million as at March 31, 2023, total revenues of Nil, total comprehensive loss (comprising of loss and other comprehensive income) of INR 13 million and net cash inflows of INR 7 million for the year ended March 31, 2023, 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 Results insofar as it relates to the balances and affairs of such subsidiaries located outside India, including other information, is based on the reports of other auditors and the conversion adjustments prepared by the Management of the Holding Company as necessary and audited by us.

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of United Spirits Limited
Report on Audit of Consolidated Financial Results
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15. The Consolidated Financial Results include: (i) financial information relating to two subsidiaries which have been liquidated during the year and which reflect total assets of Nil and net assets of Nil as at the date of liquidation, total revenue of Nil, total comprehensive loss (comprising of loss and other comprehensive income) of Nil and net cash outflows of INR 15 million for the period then ended; ii) financial information relating to one wholly owned subsidiary which has been sold during the year and which reflects total assets of Nil and net assets of Nil as at date of transfer, total revenue of Nil, total comprehensive loss (comprising of loss and other comprehensive income) of INR 63 million and net cash outflows of INR 1 million for the period then ended; and iii) Group's share of total comprehensive loss of INR 14 million (comprising of loss and other comprehensive income) for the period ended March 31, 2023 in respect of an associate company. The said financial information relating to subsidiary companies and the associate company have not been audited by us. The financial information relating to three subsidiary companies and the associate company are unaudited and have been furnished to us by the Management of the Holding Company, and our opinion on the Consolidated Financial Results, insofar as it relates to the amounts and disclosures included in respect of the aforesaid subsidiary companies and the associate company, 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 Management, such financial information are not material to the Group.
16. Our opinion on the Consolidated Financial Results is not modified in respect of the above matters specified in paragraphs 13 and 14 with respect to our reliance on the work done and the reports of the other auditors and as specified in paragraph 15 with respect to the financial information certified by the Management.
17. The Consolidated Financial Results include the results for the quarter ended March 31, 2023 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year, which are neither subject to limited review nor audited by us.

Our opinion is not modified in respect of the matter specified in paragraph above.

18. The Consolidated Financial Results dealt with by this report have been prepared for the express purpose of filing with the stock exchanges. These results are based on and should be read with the audited Consolidated Financial Statements of the group and its associate company for the year ended March 31, 2023 on which we have issued an unmodified audit opinion vide our report dated May 18, 2023.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E-300009
Chartered Accountants

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DIBYENDU MAJUMDER
Date: 2023.05.18
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MAJUMDER

Dibyendu Majumder
Partner
Membership Number: 057687
UDIN: 23057687BGVGAN5920

Place: Mumbai
Date: May 18, 2023

Price Waterhouse & Co Chartered Accountants LLP

Independent Auditor's Report

To the Board of Directors of United Spirits Limited

Report on the Audit of the Standalone Financial Results

Opinion

1. We have audited the standalone financial results of United Spirits Limited ("the Company") for the year ended March 31, 2023, the standalone statement of assets and liabilities and the standalone statement of cash flows as at and for the year ended on that date which are included in the accompanying 'Standalone Statement of Financial Results for the quarter and year ended March 31, 2023', 'Standalone Statement of Assets and Liabilities as at March 31, 2023', 'Standalone Statement of Cash Flows for the year ended March 31, 2023', together with notes thereon, attached herewith (hereinafter referred to as the "Standalone Financial Results"), being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Results:
 - (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
 - (ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ('Act') and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended March 31, 2023 and the standalone statement of assets and liabilities and the standalone statement of cash flows as at and for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act) and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results 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.

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Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E300000 (ICAI registration number before conversion was 301026E)

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of United Spirits Limited
Report on Audit of Standalone Financial Results
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Emphasis of Matter:

4. We draw attention to the following matters:
 - a) Note 4(a) to the Standalone Financial Results which explains the uncertainties post completion of the 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, 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 or recognised as 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 4(d) to the Standalone Financial Results, 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 INR 459 million 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 INR 459 million 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.
 - c) As explained in Note 5 to the Standalone Financial Results, the scheme for amalgamation of Pioneer Distilleries Ltd with the Company was approved by the National Company Law Tribunal (NCLT) on November 4, 2022, with an appointed date of April 1, 2021. The Company has accounted for the amalgamation as per the accounting treatment specified in the scheme in accordance with Appendix C of Ind AS 103, *Business Combinations of entities under common control* and accordingly, the comparative balances for all the prior periods presented in the Standalone Financial Results have been restated.

Our opinion is not modified in respect of the matters described under paragraph 4 above.

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of United Spirits Limited
Report on Audit of Standalone Financial Results
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Management's Responsibilities for the Standalone Financial Results

5. These Standalone Financial Results have been prepared on the basis of the standalone financial statements. The Company's Board of Directors are responsible for the preparation of these Standalone Financial Results that gives a true and fair view of the net profit and other comprehensive income and other financial information of the company and the standalone statement of assets and liabilities and the standalone statement of cash flows in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Board of the Directors of the company are responsible for 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 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 Standalone Financial Results by the Directors of the Company, as aforesaid.
6. In preparing the Standalone Financial Results, the Board of Directors of the Company are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

8. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Results.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - a) Identify and assess the risks of material misstatement of the Standalone Financial Results, 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 controls.

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of United Spirits Limited
Report on Audit of Standalone Financial Results
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- b) Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
 - d) Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results 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 Results, including the disclosures, and whether the Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

- 11. The Standalone Financial Results of the Company includes the results for the quarter ended March 31, 2023 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year, which are neither subject to limited review nor audited by us.

Our opinion is not modified in respect of the matter specified in paragraph above.

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of United Spirits Limited
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12. The Standalone Financial Results dealt with by this report has been prepared for the express purpose of filing with the stock exchanges. The Standalone Financial Results is based on and should be read with the audited Standalone Financial Statements of the Company for the year ended March 31, 2023 on which we issued an unmodified audit opinion vide our report dated May 18, 2023.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E-300009
Chartered Accountants

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DIBYENDU MAJUMDER
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Dibyendu Majumder
Partner
Membership Number: 057687
UDIN: 23057687BVGAM8055

Place: Mumbai
Date: May 18, 2023