

**DIAGEO**

INDIA

United Spirits Limited

Registered Office:

UB Tower

#24 Vittal Mallya Road,  
Bengaluru 560 001

Tel: +91 80 4544 8000

Fax: +91 80 3985 6862

[www.diageoindia.com](http://www.diageoindia.com)21<sup>st</sup> October 2022BSE Limited  
Listing Department  
Dalal Street,  
Mumbai 400 001  
Scrip Code: 532432National 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 unaudited financial results for the quarter and half year ended 30<sup>th</sup> September 2022 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 *inter-alia* approved the unaudited financial results (standalone and consolidated) of the Company for the quarter and half year ended 30<sup>th</sup> September 2022. The same is enclosed.

Further, the Limited Review Report received from the Statutory Auditors of the Company is also enclosed.

The aforesaid information will be available on our website [www.diageoindia.com](http://www.diageoindia.com). The meeting commenced at 14:45 hours IST and concluded at 17:40 hours IST.

This is for your information and records.

Thank you,

For United Spirits Limited



Mital Sanghvi  
Company Secretary

Encl : as above



# UNITED SPIRITS LIMITED

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

Tel +91 80 3985 6500, 2221 0705 | CIN: L01551KA1999PLC024991 | www.diageoindia.com

Unaudited Standalone Statement of Financial Results for the quarter and six months period ended September 30, 2022

(INR in Millions except for earnings per share data)

| Particulars   | 3 months ended<br>September 30,<br>2022 | 3 months ended<br>June 30, 2022 | 3 months ended<br>September 30,<br>2021 | 6 months ended<br>September 30,<br>2022 | 6 months ended<br>September 30,<br>2021 | Previous<br>year ended<br>March 31,<br>2022 |
|---|---|---------------------------------|---|---|---|---|
|   | Unaudited                               | Unaudited                       | Unaudited                               | Unaudited                               | Unaudited                               | Audited                                     |
| <b>1 Income</b>   |   |                                 |   |   |   |   |
| (a) Revenue from operations   | 82,514                                  | 68,815                          | 81,480                                  | 1,51,329                                | 1,42,099                                | 3,07,311                                    |
| (b) Other income  | 81                                      | 251                             | 35                                      | 332                                     | 141                                     | 415   |
| <b>Total income</b>   | <b>82,595</b>                           | <b>69,066</b>                   | <b>81,515</b>                           | <b>1,51,661</b>                         | <b>1,42,240</b>                         | <b>3,07,726</b>                             |
| <b>2 Expenses:</b>  |   |                                 |   |   |   |   |
| (a) Cost of materials consumed  | 17,392                                  | 13,925                          | 11,675                                  | 31,317                                  | 23,151                                  | 47,992                                      |
| (b) Purchase of stock-in-trade  | 687                                     | 2,378                           | 1,091                                   | 3,065                                   | 1,637                                   | 5,773                                       |
| (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | (657)                                   | (3,492)                         | 887                                     | (4,149)                                 | (2,189)                                 | (861)                                       |
| (d) Excise duty   | 53,717                                  | 47,122                          | 57,012                                  | 1,00,839                                | 1,01,480                                | 2,13,494                                    |
| (e) Employee benefits expense   | 1,484                                   | 1,665                           | 1,663                                   | 3,149                                   | 3,537                                   | 6,335                                       |
| (f) Depreciation, amortisation and impairment expense                             | 559                                     | 653                             | 655                                     | 1,212                                   | 1,209                                   | 2,542                                       |
| (g) Others:   |   |                                 |   |   |   |   |
| (i) Advertisement and sales promotion   | 1,584                                   | 1,403                           | 1,779                                   | 2,987                                   | 2,617                                   | 6,892                                       |
| (ii) Loss allowance on trade receivables and other financial assets (net)         | 56                                      | (4)                             | 204                                     | 52                                      | 254                                     | (129)                                       |
| (iii) Other expenses  | 3,792                                   | 3,076                           | 2,913                                   | 6,868                                   | 5,679                                   | 12,708                                      |
| (h) Finance costs   | 141                                     | 166                             | (14)                                    | 307                                     | 184                                     | 649   |
| <b>Total expenses</b>   | <b>78,755</b>                           | <b>66,892</b>                   | <b>77,865</b>                           | <b>1,45,647</b>                         | <b>1,37,559</b>                         | <b>2,95,395</b>                             |
| <b>3 Profit / (loss) before exceptional items and tax (1 - 2)</b>                 | <b>3,840</b>                            | <b>2,174</b>                    | <b>3,650</b>                            | <b>6,014</b>                            | <b>4,681</b>                            | <b>12,331</b>                               |
| <b>4 Exceptional items, net (Refer Note 8)</b>                                    | <b>3,716</b>                            | <b>(384)</b>                    | <b>5</b>                                | <b>3,332</b>                            | <b>(359)</b>                            | <b>(2,091)</b>                              |
| <b>5 Profit / (loss) before tax (3 + 4)</b>                                       | <b>7,556</b>                            | <b>1,790</b>                    | <b>3,655</b>                            | <b>9,346</b>                            | <b>4,322</b>                            | <b>10,240</b>                               |
| <b>6 Income tax expense / (credit)</b>  |   |                                 |   |   |   |   |
| (a) Current tax   | 1,254                                   | 515                             | 754                                     | 1,769                                   | 995                                     | 2,593                                       |
| (b) Current tax relating to earlier years   | -                                       | -                               | -                                       | -                                       | (192)                                   | (243)                                       |
| (c) Deferred tax charge / (credit)  | 672                                     | (828)                           | 167                                     | (156)                                   | 94                                      | 192   |
| <b>Total tax expense / (credit)</b>   | <b>1,926</b>                            | <b>(313)</b>                    | <b>921</b>                              | <b>1,613</b>                            | <b>897</b>                              | <b>2,542</b>                                |
| <b>7 Profit / (loss) for the period (5 - 6)</b>                                   | <b>5,630</b>                            | <b>2,103</b>                    | <b>2,734</b>                            | <b>7,733</b>                            | <b>3,425</b>                            | <b>7,698</b>                                |
| <b>8 Other Comprehensive Income</b>   |   |                                 |   |   |   |   |
| 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                               | -                                       | -                               | -                                       | -                                       | -                                       | 164   |
| (ii) Income tax credit / (charge) relating to above                               | -                                       | -                               | -                                       | -                                       | -                                       | (41)  |
| <b>Total other comprehensive income, net of income tax</b>                        | <b>-</b>                                | <b>-</b>                        | <b>-</b>                                | <b>-</b>                                | <b>-</b>                                | <b>123</b>                                  |
| <b>9 Total Comprehensive Income (7 + 8)</b>                                       | <b>5,630</b>                            | <b>2,103</b>                    | <b>2,734</b>                            | <b>7,733</b>                            | <b>3,425</b>                            | <b>7,821</b>                                |
| <b>10 Paid up Equity Share Capital (Face value of INR 2/- each)</b>               | <b>1,453</b>                            | <b>1,453</b>                    | <b>1,453</b>                            | <b>1,453</b>                            | <b>1,453</b>                            | <b>1,453</b>                                |
| <b>11 Other Equity</b>  |   |                                 |   |   |   | <b>47,564</b>                               |
| <b>12 Earnings/ (loss) per share of INR 2/- each:</b>                             |   |                                 |   |   |   |   |
| Basic and Diluted (in INR)  | <b>7.75</b>                             | <b>2.89</b>                     | <b>3.76</b>                             | <b>10.64</b>                            | <b>4.71</b>                             | <b>10.59</b>                                |



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Unaudited Standalone Statement of Assets and Liabilities as at September 30, 2022

(INR in Millions)

|  | As at              | As at          |
|--|--------------------|----------------|
|  | September 30, 2022 | March 31, 2022 |
|  | Unaudited          | Audited        |
| <b>ASSETS</b>  |                    |                |
| <b>Non-current assets</b>  |                    |                |
| Property, plant and equipment  | 9,176              | 10,160         |
| Right-of-use assets  | 2,123              | 2,606          |
| Capital work-in-progress   | 759                | 817            |
| Intangible assets  | 371                | 246            |
| Intangible assets under development  | 135                | 80             |
| Financial assets   |                    |                |
| Investments in subsidiaries and associate                                      | 2,398              | 2,169          |
| Other financial assets   | 874                | 863            |
| Deferred tax assets (net)  | 1,634              | 1,478          |
| Current tax assets (net) (Non-current)   | 12,040             | 12,049         |
| Other non-current assets   | 2,189              | 2,215          |
| <b>Total non-current assets</b>  | <b>31,699</b>      | <b>32,683</b>  |
| <b>Current assets</b>  |                    |                |
| Inventories  | 24,527             | 20,771         |
| Financial assets   |                    |                |
| Investments  | 5,036              | 2,221          |
| Trade receivables  | 21,142             | 23,021         |
| Cash and cash equivalents  | 7,771              | 270            |
| Bank balances other than cash and cash equivalents                             | 67                 | 58             |
| Loans  | 334                | 1,387          |
| Other financial assets   | 2,143              | 559            |
| Other current assets   | 3,168              | 3,183          |
| <b>Total current assets</b>  | <b>64,188</b>      | <b>51,470</b>  |
| <b>Total assets</b>  | <b>95,887</b>      | <b>84,153</b>  |
| <b>EQUITY AND LIABILITIES</b>  |                    |                |
| <b>EQUITY</b>  |                    |                |
| Share capital  | 1,453              | 1,453          |
| Other equity   |                    |                |
| Reserves and surplus   | 55,296             | 47,564         |
| <b>Total equity</b>  | <b>56,749</b>      | <b>49,017</b>  |
| <b>LIABILITIES</b>   |                    |                |
| <b>Non-current liabilities</b>   |                    |                |
| Financial liabilities  |                    |                |
| Lease liabilities  | 1,109              | 1,341          |
| Provisions   | 122                | 132            |
| <b>Total non-current liabilities</b>   | <b>1,231</b>       | <b>1,473</b>   |
| <b>Current liabilities</b>   |                    |                |
| Financial liabilities  |                    |                |
| Borrowings   | -                  | -              |
| Lease liabilities  | 1,136              | 1,296          |
| Trade payables   |                    |                |
| (A) total outstanding dues of micro and small enterprises                      | 522                | 777            |
| (B) total outstanding dues of creditors other than micro and small enterprises | 17,449             | 14,271         |
| Other financial liabilities  | 2,006              | 1,889          |
| Provisions   | 4,055              | 4,576          |
| Current tax liabilities (net)  | 2,986              | 2,765          |
| Other current liabilities  | 9,753              | 8,089          |
| <b>Total current liabilities</b>   | <b>37,907</b>      | <b>33,663</b>  |
| <b>Total liabilities</b>   | <b>39,138</b>      | <b>35,136</b>  |
| <b>Total Equity and liabilities</b>  | <b>95,887</b>      | <b>84,153</b>  |



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Unaudited Standalone Statement of Cash flows for the six months ended September 30, 2022

(INR in millions)

|  | Six months ended<br>September 30, 2022 | Six months ended<br>September 30, 2021 |
|--|--|--|
|  | Unaudited                              | Unaudited                              |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>  |  |  |
| Profit before tax  | 9,346                                  | 4,322                                  |
| <b>Adjustments for</b>   |  |  |
| Depreciation, amortisation and impairment expense                                      | 1,212                                  | 1,209                                  |
| Employee share-based payment expense   | 140                                    | 198                                    |
| Loss allowance on trade receivables and other financial assets (net)                   | 52                                     | 254                                    |
| Provision on doubtful other assets (net)   | 32                                     | 161                                    |
| Profit on redemption of mutual fund  | (42)                                   | -                                      |
| Increase in fair value of investment   | (27)                                   | -                                      |
| Exchange gain (net) on translation of foreign currency monetary assets and liabilities | (1)                                    | 1                                      |
| Finance costs  | 307                                    | 184                                    |
| Gain on disposal of property, plant and equipment (net)                                | (187)                                  | (67)                                   |
| Interest income  | (44)                                   | (75)                                   |
| Exceptional item- Profit on sale of business undertaking                               | (3,815)                                | -                                      |
| Exceptional Items- Others  | 99                                     | 359                                    |
| <b>Operating profit before changes in working capital</b>                              | <b>7,072</b>                           | <b>6,546</b>                           |
| (Increase) / decrease in trade receivables   | (276)                                  | (1,754)                                |
| (Increase) / decrease in other financial assets  | (2,184)                                | 90                                     |
| (Increase) / decrease in other assets  | (862)                                  | 234                                    |
| (Increase) / decrease in inventories   | (5,630)                                | (2,925)                                |
| Increase / (decrease) in trade payables  | 3,224                                  | (439)                                  |
| Increase / (decrease) in other financial liabilities                                   | 209                                    | (351)                                  |
| Increase / (decrease) in other liabilities   | 3,183                                  | 2,552                                  |
| Increase / (decrease) in provisions  | (744)                                  | (712)                                  |
| <b>Cash generated from operations</b>  | <b>3,992</b>                           | <b>3,241</b>                           |
| Income taxes paid (net of refund)  | (1,539)                                | (1,370)                                |
| <b>Net cash generated from operating activities (A)</b>                                | <b>2,453</b>                           | <b>1,871</b>                           |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>  |  |  |
| Purchase of property, plant and equipment and intangible assets                        | (727)                                  | (597)                                  |
| Proceeds from sale of property, plant and equipment                                    | 252                                    | 76                                     |
| Purchase of current Investments  | (41,084)                               | -                                      |
| Redemption of current Investments  | 38,338                                 | -                                      |
| Acquisition of an associate  | (315)                                  | -                                      |
| Proceeds from slump sale   | 8,180                                  | -                                      |
| Remittance upon liquidation of a subsidiary  | -                                      | 89                                     |
| Proceeds from disposal of investment in an associate                                   | -                                      | 5                                      |
| Loans given to subsidiaries  | (1,513)                                | (1,030)                                |
| Loans given to others  | (80)                                   | -                                      |
| Repayment of loans given to others   | 9                                      | -                                      |
| Repayment of loans by subsidiaries   | 2,624                                  | 1,099                                  |
| Interest received  | 31                                     | 65                                     |
| <b>Net cash inflow from investing activities (B)</b>                                   | <b>5,715</b>                           | <b>(293)</b>                           |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>  |  |  |
| Net repayment of working capital loans   | -                                      | (1,127)                                |
| Interest paid on borrowings  | (2)                                    | (116)                                  |
| Principal repayment of lease liabilities   | (585)                                  | (473)                                  |
| Interest paid on lease liabilities   | (80)                                   | (64)                                   |
| <b>Net cash outflow from financing activities (C)</b>                                  | <b>(667)</b>                           | <b>(1,780)</b>                         |
| <b>Net increase / (decrease) in cash and cash equivalents [D = A+B+C]</b>              | <b>7,501</b>                           | <b>(202)</b>                           |
| Cash and cash equivalents as at the beginning of the year (E)                          | 270                                    | 492                                    |
| Effects of exchange rate changes on cash and cash equivalents                          | 0                                      | 0                                      |
| <b>Net increase / (decrease) in cash and cash equivalents</b>                          | <b>7,501</b>                           | <b>(202)</b>                           |
| <b>Cash and cash equivalents as at the end of the year [D+E]</b>                       | <b>7,771</b>                           | <b>290</b>                             |



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Unaudited Consolidated Statement of Financial Results for the quarter and six months ended September 30, 2022

(INR in Millions except for earnings per share data)

|   | 3 months ended        | 3 months ended | 3 months ended        | 6 months ended        | 6 months ended        | Previous year           |
|---|-----------------------|----------------|-----------------------|-----------------------|-----------------------|-------------------------|
|   | September 30,<br>2022 | June 30, 2022  | September 30,<br>2021 | September 30,<br>2022 | September 30,<br>2021 | ended March 31,<br>2022 |
|   | Unaudited             | Unaudited      | Unaudited             | Unaudited             | Unaudited             | Audited                 |
| <b>1 Income</b>   |                       |                |                       |                       |                       |                         |
| (a) Revenue from operations   | 82,827                | 71,313         | 82,088                | 1,54,140              | 1,43,773              | 3,10,618                |
| (b) Other income  | 76                    | 262            | 38                    | 338                   | 116                   | 355                     |
| <b>Total income</b>   | <b>82,903</b>         | <b>71,575</b>  | <b>82,126</b>         | <b>1,54,478</b>       | <b>1,43,889</b>       | <b>3,10,973</b>         |
| <b>2 Expenses:</b>  |                       |                |                       |                       |                       |                         |
| (a) Cost of materials consumed  | 17,585                | 14,043         | 11,553                | 31,828                | 23,173                | 47,969                  |
| (b) Purchase of stock-in-trade  | 687                   | 2,378          | 1,091                 | 3,065                 | 1,637                 | 5,773                   |
| (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade                           | (643)                 | (3,468)        | 984                   | (4,111)               | (2,187)               | (827)                   |
| (d) Excise duty   | 53,717                | 47,122         | 57,012                | 1,00,839              | 1,01,480              | 2,13,494                |
| (e) Employee benefits expense   | 1,526                 | 1,723          | 1,711                 | 3,249                 | 3,626                 | 6,531                   |
| (f) Depreciation, amortisation and impairment expense   | 659                   | 831            | 763                   | 1,490                 | 1,506                 | 3,038                   |
| (g) Others:   |                       |                |                       |                       |                       |                         |
| (i) Advertisement and sales promotion   | 1,600                 | 1,408          | 1,756                 | 3,008                 | 2,617                 | 6,949                   |
| (ii) Loss allowance on trade receivables and other financial assets (net)                                   | 56                    | (4)            | 204                   | 52                    | 254                   | (129)                   |
| (iii) Other expenses  | 3,926                 | 4,388          | 3,086                 | 8,314                 | 6,597                 | 14,777                  |
| (h) Finance costs   | 210                   | 225            | 69                    | 435                   | 323                   | 880                     |
| <b>Total expenses</b>   | <b>79,323</b>         | <b>68,646</b>  | <b>78,229</b>         | <b>1,47,969</b>       | <b>1,39,026</b>       | <b>2,98,455</b>         |
| <b>3 Profit / (loss) before share of net profit / (loss) in associates, exceptional items and tax (1-2)</b> | <b>3,580</b>          | <b>2,929</b>   | <b>3,897</b>          | <b>6,509</b>          | <b>4,863</b>          | <b>12,518</b>           |
| 4 Share of net profit / (loss) in associates  | (5)                   | (3)            | -                     | (8)                   | -                     | -                       |
| <b>5 Profit / (loss) before exceptional items and tax (3+4)</b>   | <b>3,575</b>          | <b>2,926</b>   | <b>3,897</b>          | <b>6,501</b>          | <b>4,863</b>          | <b>12,518</b>           |
| 6 Exceptional items, net (Refer Note 8)   | 3,815                 | (384)          | 5                     | 3,431                 | (448)                 | (1,652)                 |
| <b>7 Profit / (loss) before tax (5 + 6)</b>   | <b>7,390</b>          | <b>2,542</b>   | <b>3,902</b>          | <b>9,932</b>          | <b>4,415</b>          | <b>10,866</b>           |
| 8 Income tax expense / (credit)   |                       |                |                       |                       |                       |                         |
| (a) Current tax   | 1,251                 | 515            | 754                   | 1,766                 | 995                   | 2,593                   |
| (b) Current tax relating to earlier years   | (11)                  | 18             | -                     | 7                     | (192)                 | (247)                   |
| (c) Deferred tax charge / (credit)  | 673                   | (602)          | 284                   | 71                    | 245                   | 414                     |
| <b>Total tax expense / (credit)</b>   | <b>1,913</b>          | <b>(69)</b>    | <b>1,038</b>          | <b>1,844</b>          | <b>1,048</b>          | <b>2,760</b>            |
| <b>9 Profit / (loss) for the period (7-8)</b>   | <b>5,477</b>          | <b>2,611</b>   | <b>2,864</b>          | <b>8,088</b>          | <b>3,367</b>          | <b>8,106</b>            |
| 10 Other Comprehensive Income   |                       |                |                       |                       |                       |                         |
| A. Items that will be reclassified to profit or loss  |                       |                |                       |                       |                       |                         |
| (i) Exchange differences on translation of foreign operations   | (10)                  | (3)            | (22)                  | (13)                  | (10)                  | 1                       |
| B. Items that will not be reclassified to profit or loss  |                       |                |                       |                       |                       |                         |
| (i) Remeasurements of post-employment benefit plans   | -                     | -              | -                     | -                     | -                     | 164                     |
| (ii) Income tax credit / (charge) relating to above   | -                     | -              | -                     | -                     | -                     | (41)                    |
| <b>Total other comprehensive income, net of income tax</b>  | <b>(10)</b>           | <b>(3)</b>     | <b>(22)</b>           | <b>(13)</b>           | <b>(10)</b>           | <b>124</b>              |
| <b>11 Total Comprehensive Income (9+10)</b>   | <b>5,467</b>          | <b>2,608</b>   | <b>2,842</b>          | <b>8,075</b>          | <b>3,357</b>          | <b>8,230</b>            |
| 12 Paid up Equity Share Capital (Face value of INR 2/- each)  | 1,453                 | 1,453          | 1,453                 | 1,453                 | 1,453                 | 1,453                   |
| 13 Other Equity and Non controlling interest  | -                     | -              | -                     | -                     | -                     | 48,084                  |
| <b>14(a) Profit/ (loss) attributable to:</b>  |                       |                |                       |                       |                       |                         |
| Owners  | 5,531                 | 2,662          | 2,918                 | 8,193                 | 3,473                 | 8,286                   |
| Non-controlling interest  | (54)                  | (51)           | (54)                  | (105)                 | (106)                 | (180)                   |
|   | <b>5,477</b>          | <b>2,611</b>   | <b>2,864</b>          | <b>8,088</b>          | <b>3,367</b>          | <b>8,106</b>            |
| <b>14(b) Other comprehensive income attributable to:</b>  |                       |                |                       |                       |                       |                         |
| Owners  | (10)                  | (3)            | (22)                  | (13)                  | (10)                  | 124                     |
| Non-controlling interest  | -                     | -              | -                     | -                     | -                     | -                       |
|   | <b>(10)</b>           | <b>(3)</b>     | <b>(22)</b>           | <b>(13)</b>           | <b>(10)</b>           | <b>124</b>              |
| <b>14(c) Total comprehensive income attributable to: [14(a) + 14(b)]</b>                                    |                       |                |                       |                       |                       |                         |
| Owners  | 5,521                 | 2,659          | 2,896                 | 8,180                 | 3,463                 | 8,410                   |
| Non controlling Interest  | (54)                  | (51)           | (54)                  | (105)                 | (106)                 | (180)                   |
|   | <b>5,467</b>          | <b>2,608</b>   | <b>2,842</b>          | <b>8,075</b>          | <b>3,357</b>          | <b>8,230</b>            |
| <b>15 Earnings/ (loss) per share of INR 2/- each:</b><br>[Refer Note below]                                 |                       |                |                       |                       |                       |                         |
| Basic and Diluted (in INR)  | 7.80                  | 3.75           | 4.11                  | 11.55                 | 4.90                  | 11.68                   |

**Note:**

In calculating the weighted outstanding equity shares during all the periods presented under Consolidated Statement of results, Company has reduced its own shares held by USL Benefit Trust (of which the Company is the sole beneficiary).



# UNITED SPIRITS LIMITED

A DIAGEO Group Company

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

Tel +91 80 3985 6500, 2221 0705 | CIN: L01551KA1999PLC024991 | www.diageoindia.com

Unaudited Consolidated Statement of Assets and Liabilities as at September 30, 2022

(INR in Millions)

|  | As at              | As at          |
|--|--------------------|----------------|
|  | September 30, 2022 | March 31, 2022 |
|  | Unaudited          | Audited        |
| <b>ASSETS</b>  |                    |                |
| <b>Non-current assets</b>  |                    |                |
| Property, plant and equipment  | 10,982             | 12,152         |
| Right-of-use assets  | 2,123              | 2,606          |
| Capital work-in-progress   | 921                | 877            |
| Goodwill   | 210                | 210            |
| Other Intangible assets  | 3,626              | 3,580          |
| Intangible assets under development  | 135                | 80             |
| Financial assets   |                    |                |
| Investments in subsidiaries and associate                                      | 309                | -              |
| Other financial assets   | 1,481              | 1,485          |
| Deferred tax assets (net)  | 1,633              | 1,478          |
| Current tax assets (net) (Non-current)   | 12,686             | 12,614         |
| Other non-current assets   | 2,349              | 2,397          |
| <b>Total non-current assets</b>  | <b>36,455</b>      | <b>37,479</b>  |
| <b>Current assets</b>  |                    |                |
| Inventories  | 25,151             | 21,567         |
| Financial assets   |                    |                |
| Investments  | 5,036              | 2,221          |
| Trade receivables  | 21,555             | 23,736         |
| Cash and cash equivalents  | 8,033              | 545            |
| Bank balances other than cash and cash equivalents                             | 67                 | 58             |
| Loans  | 184                | 113            |
| Other financial assets   | 2,360              | 772            |
| Other current assets   | 2,365              | 2,622          |
| <b>Total current assets</b>  | <b>64,751</b>      | <b>51,634</b>  |
| <b>Total assets</b>  | <b>1,01,206</b>    | <b>89,113</b>  |
| <b>EQUITY AND LIABILITIES</b>  |                    |                |
| <b>EQUITY</b>  |                    |                |
| Share capital  | 1,453              | 1,453          |
| <b>Other equity</b>  |                    |                |
| Reserves and surplus   | 56,264             | 48,084         |
| <b>Equity attributable to the owners of the United Spirits Limited</b>         | <b>57,717</b>      | <b>49,537</b>  |
| Non-controlling interests  | (893)              | (789)          |
| <b>Total equity</b>  | <b>56,824</b>      | <b>48,748</b>  |
| <b>LIABILITIES</b>   |                    |                |
| <b>Non-current liabilities</b>   |                    |                |
| Financial liabilities  |                    |                |
| Borrowings   | -                  | 9              |
| Lease liabilities  | 1,109              | 1,341          |
| Deferred tax liabilities   | 709                | 483            |
| Provisions   | 144                | 149            |
| <b>Total non-current liabilities</b>   | <b>1,962</b>       | <b>1,982</b>   |
| <b>Current liabilities</b>   |                    |                |
| Financial liabilities  |                    |                |
| Borrowings   | 3,326              | 3,408          |
| Lease liabilities  | 1,136              | 1,296          |
| Trade payables   |                    |                |
| (A) total outstanding dues of micro and small enterprises                      | 541                | 793            |
| (B) total outstanding dues of creditors other than micro and small enterprises | 18,124             | 15,028         |
| Other financial liabilities  | 2,036              | 1,823          |
| Provisions   | 4,383              | 4,880          |
| Current tax liabilities (net)  | 2,993              | 2,765          |
| Other current liabilities  | 9,881              | 8,390          |
| <b>Total current liabilities</b>   | <b>42,420</b>      | <b>38,383</b>  |
| <b>Total liabilities</b>   | <b>44,382</b>      | <b>40,365</b>  |
| <b>Total Equity and liabilities</b>  | <b>1,01,206</b>    | <b>89,113</b>  |



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Unaudited Consolidated Statement of Cash flows for the six months ended September 30, 2022

(INR in Millions)

| Particulars   | Six months ended<br>September 30, 2022 | Six months ended<br>September 30, 2021 |
|---|--|--|
|   | Unaudited                              | Unaudited                              |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                             |  |  |
| Profit before tax   | 9,932                                  | 4,415                                  |
| <b>Adjustments for</b>  |  |  |
| Depreciation, amortisation and impairment expense                         | 1,490                                  | 1,506                                  |
| Employee share-based payment expense                                      | 140                                    | 198                                    |
| Loss allowance on trade receivables and other financial assets (net)      | 52                                     | 254                                    |
| Provision on doubtful other assets (net)                                  | 32                                     | 161                                    |
| Exchange gain (net) on translation of assets and liabilities              | (6)                                    | (10)                                   |
| Finance costs   | 435                                    | 323                                    |
| Profit on redemption of mutual fund                                       | (42)                                   | -                                      |
| Increase in fair value of investments                                     | (27)                                   | -                                      |
| Gain on disposal of property, plant and equipment (net)                   | (193)                                  | (67)                                   |
| Interest income   | (34)                                   | (46)                                   |
| Share of net (profit)/loss in associate accounted for using equity method | 8                                      | -                                      |
| Exceptional items- Profit on sale of business undertaking                 | (3,815)                                | -                                      |
| Exceptional Items- Others   | -                                      | 448                                    |
| <b>Operating profit before changes in working capital</b>                 | <b>7,972</b>                           | <b>7,182</b>                           |
| (Increase) / decrease in trade receivables                                | 17                                     | (2,612)                                |
| (Increase) / decrease in other financial assets                           | (2,165)                                | 202                                    |
| (Increase) / decrease in other assets                                     | (647)                                  | 196                                    |
| (Increase) / decrease in inventories                                      | (5,458)                                | (2,850)                                |
| Increase / (decrease) in trade payables                                   | 3,144                                  | 475                                    |
| Increase / (decrease) in other financial liabilities                      | 308                                    | (659)                                  |
| Increase / (decrease) in other liabilities                                | 3,010                                  | 2,387                                  |
| Increase / (decrease) in provisions                                       | (715)                                  | (764)                                  |
| <b>Cash generated from operations</b>                                     | <b>5,466</b>                           | <b>3,557</b>                           |
| Income taxes paid(net of refund)  | (1,617)                                | (1,460)                                |
| <b>Net cash generated from operating activities (A)</b>                   | <b>3,849</b>                           | <b>2,097</b>                           |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                             |  |  |
| Purchase of property, plant and equipment and intangible assets           | (797)                                  | (702)                                  |
| Proceeds from sale of property, plant and equipment                       | 259                                    | -                                      |
| Slump Sale consideration received   | 8,180                                  | -                                      |
| Purchase of current Investments   | (41,084)                               | -                                      |
| Redemption of current Investment  | 38,338                                 | -                                      |
| Acquisition of an associate   | (315)                                  | -                                      |
| Loans given to others   | (80)                                   | -                                      |
| Repayment of loans given to others  | 9                                      | -                                      |
| Proceeds from sale of investment property                                 | -                                      | 74                                     |
| Proceeds on disposal of investment in associates                          | -                                      | 5                                      |
| Interest received   | 14                                     | 46                                     |
| <b>Net cash inflow / (outflow) from investing activities (B)</b>          | <b>4,524</b>                           | <b>(577)</b>                           |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                             |  |  |
| Net repayment of working capital loans                                    | (74)                                   | (893)                                  |
| Proceeds from current borrowings  | -                                      | 3,130                                  |
| Repayment of current borrowings   | -                                      | (3,280)                                |
| Principal repayment on lease liabilities                                  | (585)                                  | (473)                                  |
| Repayment of deferred sales tax liability                                 | (16)                                   | (23)                                   |
| Interest paid on borrowings   | (130)                                  | (121)                                  |
| Interest paid on lease liabilities  | (80)                                   | (64)                                   |
| <b>Net cash inflow / (outflow) from financing activities (C)</b>          | <b>(885)</b>                           | <b>(1,724)</b>                         |
| <b>Net increase / (decrease) in cash and cash equivalents [D = A+B+C]</b> | <b>7,488</b>                           | <b>(204)</b>                           |
| <b>Cash and cash equivalents as at the beginning of the year (E)</b>      | <b>545</b>                             | <b>778</b>                             |
| Effects of exchange rate changes on cash and cash equivalents             | -                                      | -                                      |
| Net increase / (decrease) in cash and cash equivalents                    | 7,488                                  | (204)                                  |
| <b>Cash and cash equivalents as at the end of the year [D+E]</b>          | <b>8,033</b>                           | <b>574</b>                             |



## United Spirits Limited

### Notes to the unaudited Standalone and Consolidated Statements of Financial Results for the quarter and six months ended September 30, 2022

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).

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")
- Royal Challengers Sports Private Limited
- Sovereign Distilleries Limited

#### Overseas subsidiaries:

- Asian Opportunities and Investments Limited
- McDowell & Co. (Scotland) Limited
- Montrose International S.A ("Montrose") (ceased to be a subsidiary w.e.f. April 16, 2021)
- Palmer Investment Group Limited
- Shaw Wallace Overseas Limited
- United Spirits (Great Britain) Limited
- United Spirits (Shanghai) Trading Company Limited
- United Spirits Singapore Pte Ltd
- United Spirits (UK) Limited
- USL Holdings Limited
- USL Holdings (UK) Limited

#### Trusts controlled by the Company:

- USL Benefit Trust

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

- Hip Bar Private Limited (till August 3, 2021)
- Nao Spirits and Beverages Private Limited (w.e.f. from April 29, 2022) (equity ownership interest of 9.3%) [Refer Note 7]

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.





## United Spirits Limited

### Notes to the Standalone and Consolidated Statements of Financial Results for the quarter and six months ended September 30, 2022 – 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 one overseas subsidiary, merged one overseas subsidiary into another and sold two subsidiaries, one of which was overseas and the other 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 six months ended September 30, 2022 – 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) United Spirits (Shanghai) Trading Company Limited (viii) Asian Opportunities and Investments Limited and (ix) United Spirits Singapore Pte Ltd. Accordingly, assets and liabilities of such subsidiaries have been recognised as current at their fair values that approximate to their carrying values as at September 30, 2022. 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 10,486 million up to September 30, 2022. The Company has 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 Official Liquidator and the Company have exchanged certain correspondence during the six months ended September 30, 2022 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 six months ended September 30, 2022 – 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 quarter and six months ended September 30, 2022.

#### (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.

There have been no developments with respect to this matter during the quarter and six months ended September 30, 2022.

#### 5. Proposed merger of Pioneer Distilleries Limited with United Spirits Limited

The Board of Directors ("Board") of PDL and of the Company at their meetings held on December 2, 2019 considered and approved a scheme of amalgamation and arrangement (the "Scheme") in relation to the proposed merger of PDL with the Company under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules thereunder. Upon completion of the merger, the non-promoter shareholders of PDL will 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 the record date. Post the merger, the Company's issued capital is expected to expand by 712,138 shares and the revised shareholding of Relay BV (the holding company, a subsidiary of Diageo plc) in the Company will change from 55.94% to 55.88%. The Scheme is subject to the receipt of requisite approvals from the relevant statutory authorities. The BSE Limited and the National Stock Exchange of India Limited have issued their no-objection to the draft scheme and related documents filed, vide observation letters dated October 21, 2020 and October 22, 2020, respectively.

The Company, jointly with PDL, has filed an application under Sections 230 to 232 of the Companies Act, 2013 on November 27, 2020 with the National Company Law Tribunal, Bangalore ("NCLT"), and again an Interlocutory Application was filed before NCLT on April 7, 2021. Based on the order of the NCLT received



## United Spirits Limited

### Notes to the Standalone and Consolidated Statements of Financial Results for the quarter and six months ended September 30, 2022 – Contd.

on August 18, 2021, the Company and PDL convened meetings of their respective equity shareholders, and the Company also convened a meeting of its unsecured creditors, on September 30, 2021. The Scheme was approved with requisite majority at these meetings. Subsequently, a joint petition to sanction the Scheme has been filed by USL and PDL with the NCLT on October 02, 2021. Company's petition was heard by the NCLT on January 12, 2022, April 18, 2022, August 03, 2022 and August 12, 2022 and the NCLT has reserved orders.

The impact of the above merger will be given effect in the financial results upon approval of the Scheme by the NCLT and completion of the required regulatory filings.

6. Further to the announcement on May 27, 2022, the Company, on September 30, 2022, has (i) completed the slump sale of the entire business undertaking associated with 32 brands in the 'Popular' segment to Inbrev Beverages Private Limited ("Inbrev") and (ii) given effect to the franchise of 11 other brands in the 'Popular' segment in favour of Inbrev for a period of five years, with an option for Inbrev, subject to certain conditions, (a) to convert the fixed term franchise arrangement into a franchise arrangement with perpetual rights 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 Inbrev 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 3,815 million (net-off costs attributable towards sale and accruals) is recognized as an 'exceptional item' in the standalone and consolidated financial results for the quarter and six months ended September 30, 2022. As per the agreement, a portion of the consideration amounting to INR 614 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.

Upon completion of the slump sale, deferred tax asset of INR 753 million on brought forward long-term and short-term capital losses which was recognised during the quarter ended June 30, 2022 has been fully utilised.

### 7. Investment in Nao Spirits

On April 29, 2022, the Company invested INR 315 million in Nao Spirits & Beverages Private Limited ("Nao Spirits") 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. The Company has a call option to acquire remaining shares held by the other shareholders of Nao Spirits at a pre-determined valuation methodology. Management has considered Nao Spirits to be an associate since the Company has significant influence over its operating and financing decisions.

### 8. Exceptional items

Amount in INR Million

| Sl. No | Description   | Quarter ended September 30, 2022 |              | Six months ended September 30, 2022 |              |
|--------|---|----------------------------------|--------------|-------------------------------------|--------------|
|        |   | Income / (Expense)               |              | Income / (Expense)                  |              |
|        |   | Standalone                       | Consolidated | Standalone                          | Consolidated |
| 1      | Profit on sale of Business Undertaking (Refer note 6) | 3,815                            | 3,815        | 3,815                               | 3,815        |
| 2      | Impairment of investment/recoverable value in SDL*    | (99)                             | -            | (99)                                | -            |
| 3      | Voluntary Separation Scheme **                        | -                                | -            | (384)                               | (384)        |
|        | <b>Total</b>  | <b>3,716</b>                     | <b>3,815</b> | <b>3,332</b>                        | <b>3,431</b> |



United Spirits Limited

**Notes to the Standalone and Consolidated Statements of Financial Results for the quarter and six months ended September 30, 2022 – Contd.**

\* Management has determined the recoverable amount of the investment in and loan recoverable from SDL as on September 30, 2022 basis which an impairment charge of INR 99 million is taken in the standalone financial results for the quarter ended September 30, 2022

\*\*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 financial results for the six months ended September 30, 2022.

9. The Statement of Standalone and Consolidated Financial Results for the quarter and six months ended September 30, 2022, the Standalone and Consolidated Statements of Assets and Liabilities as at September 30, 2022 and the Standalone and Consolidated Statement of Cash Flows for the six months ended September 30, 2022 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 October 21, 2022.

By authority of the Board



Mahendra Kumar Sharma  
Chairman

Place: Mumbai  
Date: October 21, 2022



# Price Waterhouse & Co Chartered Accountants LLP

## Review Report

To  
The Board of Directors  
United Spirits Limited  
UB Tower  
#24 Vittal Mallya Road  
Bengaluru – 560 001

1. We have reviewed the unaudited financial results of United Spirits Limited (the “Company”) for the quarter and six months ended September 30, 2022, which are included in the accompanying ‘Unaudited Standalone Statement of Financial Results for the quarter and six months ended September 30, 2022’, the ‘Unaudited Standalone Statement of Assets and Liabilities as at September 30, 2022’ and the ‘Unaudited Standalone Statement of Cash Flows for the six months ended September 30, 2022’ together with the notes thereon (the “Standalone Financial Results”). The Standalone Financial Results has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “Listing Regulations, 2015”), which has been initialled by us for identification purposes.
2. This Standalone Financial Results, which is the responsibility of the Company’s Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Standalone Financial Results based on our review.
3. We conducted our review of the Standalone Financial Results in accordance with the Standard on Review Engagements (SRE) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Standalone Financial Results is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Standalone Financial Results has not been prepared in all material respects in accordance the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.



Price Waterhouse & Co Chartered Accountants LLP, 5th Floor, Tower ‘D’, The Millenia, 1 & 2 Murphy Road, Ulsoor  
Bengaluru - 560 008

T: +91 (80) 4079 5000, F: +91 (80) 4079 5222

Registered office and Head office: Plot No. 56 & 57, Block DN, Sector-V, Salt Lake, Kolkata - 700 091

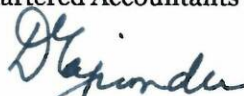
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## Price Waterhouse & Co Chartered Accountants LLP

5. We draw your attention to the following matters:
- a) As explained in Note 4(a) to the Standalone 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, 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 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 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) As explained in 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 4(e) to the Standalone Financial Results, the Company identified certain information suggesting continuing past practices resulting in differences in reporting to the relevant Regulatory Authorities of yields of certain non-potable intermediates and associated process losses in the liquor manufacturing process. The aforesaid Note also describes the related actions taken and monitoring of future developments by the Company in this respect.

Our conclusion is not modified in respect of the matters described in paragraph 5 above.

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



Dibyendu Majumder  
Partner

Membership Number: 057687  
UDIN: 22057687BANDNZ2452

Place: Mumbai  
Date: October 21, 2022

# Price Waterhouse & Co Chartered Accountants LLP

## Review Report

To  
The Board of Directors  
United Spirits Limited  
UB Tower  
#24 Vittal Mallya Road  
Bengaluru 560 001

1. We have reviewed the unaudited consolidated financial results 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 associate company (refer Note 2 to the Unaudited Consolidated Financial Results) for the quarter and six months ended September 30, 2022 which are included in the accompanying 'Unaudited Consolidated Statement of Financial Results for the quarter and six months ended September 30, 2022', the 'Unaudited Consolidated Statement of Assets and Liabilities as at September 30, 2022', and the 'Unaudited Consolidated Statement of Cash Flows for the six months ended September 30, 2022' together with the notes thereon (the "Consolidated Financial Results"). The Consolidated Financial Results is 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, 2015"), which has been initialled by us for identification purposes.
2. This Consolidated Financial Results, which is the responsibility of the Holding Company's Management and has been approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Consolidated Financial Results based on our review.
3. We conducted our review of the Consolidated Financial Results in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Consolidated Financial Results is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



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## **Price Waterhouse & Co Chartered Accountants LLP**

4. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, 2015, to the extent applicable.
5. The Consolidated Financial Results includes the results of the following entities:

### **Indian subsidiaries:**

- Pioneer Distilleries Limited
- Royal Challengers Sports Private Limited
- Sovereign Distilleries Limited

### **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
- United Spirits Singapore Pte Ltd
- United Spirits (UK) Limited
- USL Holdings Limited
- USL Holdings (UK) Limited

### **Trust controlled by the Company**

- USL Benefit Trust

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

- Nao Spirits & Beverages Private Limited (with effect from April 29, 2022)
6. Based on our review conducted and procedures performed as stated in paragraphs 3 and 4 above, nothing has come to our attention that causes us to believe that the accompanying Consolidated Financial Results has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.



## Price Waterhouse & Co Chartered Accountants LLP

7. We draw your 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.
  - c. As explained in Note 4(e) to the Consolidated Financial Results, the Holding Company identified certain information suggesting continuing past practices resulting in differences in reporting to the relevant Regulatory Authorities of yields of certain non-potable intermediates and associated process losses in the liquor manufacturing process. The aforesaid note also describes the related actions taken and monitoring of future development by the Holding Company in this respect.



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8. The Consolidated Financial Results includes the financial results of 10 subsidiaries and a trust controlled by the Group which have not been reviewed by their auditors, whose financial results reflect total assets of INR 260 million and net assets of INR 247 million as at September 30, 2022, total revenue of Nil and Nil, total net loss after tax of INR 3 million and INR 6 million and total comprehensive loss of INR 3 million and INR 6 million for the quarter and six months ended September 30, 2022, respectively, and cash outflows (net) of INR 8 million for the six months ended September 30, 2022. The Consolidated Financial Results also includes the Group's share of net loss after tax of INR 5 million and INR 8 million and total comprehensive loss of INR 5 million and INR 8 million for the quarter and six months ended September 30, 2022, respectively, in respect of an associate company, based on financial information which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, the financial information of the aforesaid subsidiaries, trust and associate company are not material to the Group.

Our conclusion on the Consolidated Financial Results is not modified in respect of the matters described in paragraphs 7 and 8 above.

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

  
Dibyendu Majumder  
Partner

Membership Number: 057687  
UDIN: 22057687BANEES9303

Place: Mumbai  
Date: October 21, 2022