

20th July 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 unaudited financial results for the quarter ended 30th June 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 unaudited financial results (standalone and consolidated) of the Company for the quarter ended 30th June 2023. The same is enclosed.

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

The meeting commenced at 13:45 hours IST and concluded at 16:04 hours IST. Also note that the aforesaid information will be available on our website www.diageoindia.com.

This is for your information and records.

Thank you,

For United Spirits Limited

Mital Sanghvi
Company Secretary

Encl: as above



UNITED SPIRITS LIMITED

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

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Unaudited Standalone Statement of Financial Results for the quarter ended June 30, 2023

(₹ in Millions except for earnings per share data)

Particulars	Quarter ended			Year ended
	June 30, 2023 (Unaudited)	March 31, 2023 (Refer note 8)	June 30, 2022 (Unaudited)	March 31, 2023 (Audited)
1 Income				
(a) Revenue from operations	53,125	57,826	69,068	275,775
(b) Other income	209	169	256	742
Total income	53,334	57,995	69,324	276,517
2 Expenses				
(a) Cost of materials consumed	10,601	7,568	14,062	53,370
(b) Purchase of stock-in-trade	647	4,769	2,378	8,642
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	997	1,286	(3,468)	(1,294)
(d) Excise duty	31,406	32,888	47,122	172,038
(e) Employee benefits expense	1,249	1,219	1,719	6,071
(f) Depreciation, amortisation and impairment expense	650	684	741	2,706
(g) Others:				
(i) Advertisement and sales promotion	1,468	3,444	1,403	9,199
(ii) Loss allowance on trade receivables and other financial assets (net)	18	(138)	(4)	(120)
(iii) Other expenses	2,888	3,410	3,151	13,682
(h) Finance costs	43	360	226	1,039
Total expenses	49,967	55,490	67,330	265,333
3 Profit before exceptional items and tax (1 - 2)	3,367	2,505	1,994	11,184
4 Exceptional items- net gain/(loss) (Refer note 5)	(171)	(112)	(384)	1,709
5 Profit before tax (3 + 4)	3,196	2,393	1,610	12,893
6 Income tax expense / (credit)				
(a) Current tax	841	659	456	2,817
(b) Current tax relating to earlier years	-	(294)	-	(297)
(c) Deferred tax charge / (credit)	(27)	(12)	(795)	(144)
Total tax expense / (credit)	814	353	(339)	2,376
7 Profit for the period (5 - 6)	2,382	2,040	1,949	10,517
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)	-	(6)
(ii) Income tax credit / (charge) relating to above	-	1	-	1
Total other comprehensive income, net of income tax	-	(5)	-	(5)
9 Total comprehensive income (7 + 8)	2,382	2,035	1,949	10,512
10 Paid up equity share capital and share suspense (Face value of ₹ 2/- each)	1,455	1,455	1,455	1,455
11 Other equity				57,990
12 Earnings per share of ₹ 2/- each				
Basic and Diluted (in ₹)	3.27	2.80	2.68	14.46

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Unaudited Consolidated Statement of Financial Results for the quarter ended June 30, 2023

(₹ in Millions except for earnings per share data)

Particulars	Quarter ended			Year ended
	June 30, 2023 (Unaudited)	March 31, 2023 (Refer note 8)	June 30, 2022 (Unaudited)	March 31, 2023 (Audited)
1 Income				
(a) Revenue from operations	58,084	57,916	71,313	278,154
(b) Other income	217	180	262	731
Total income	58,301	58,096	71,575	278,885
2 Expenses				
(a) Cost of materials consumed	10,601	7,645	14,043	53,370
(b) Purchase of stock-in-trade	647	4,769	2,378	8,642
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	997	1,209	(3,468)	(1,371)
(d) Excise duty	31,406	32,888	47,122	172,038
(e) Employee benefits expense	1,258	1,241	1,723	6,100
(f) Depreciation, amortisation and impairment expense	743	688	831	2,825
(g) Others:				
(i) Advertisement and sales promotion	1,473	3,420	1,408	9,218
(ii) Loss allowance on trade receivables and other financial assets (net)	18	(138)	(4)	(120)
(iii) Other expenses	4,549	4,527	4,388	16,108
(h) Finance costs	43	360	225	1,039
Total expenses	51,735	56,609	68,646	267,849
3 Profit before share of net profit in associates, exceptional items and tax (1-2)	6,566	1,487	2,929	11,036
4 Share of net loss in associates	(5)	(4)	(3)	(14)
5 Profit before exceptional items and tax (3+4)	6,561	1,483	2,926	11,022
6 Exceptional items- net gain/(loss) (Refer note 5)	(171)	(180)	(384)	1,764
7 Profit before tax (5 + 6)	6,390	1,303	2,542	12,786
8 Income tax expense / (credit)				
(a) Current tax	1,221	656	515	2,814
(b) Current tax relating to earlier years	-	(294)	18	(1,159)
(c) Deferred tax charge / (credit)	402	(87)	(602)	(127)
Total tax expense / (credit)	1,623	275	(69)	1,528
9 Profit for the period (7-8)	4,767	1,028	2,611	11,258
10 Other Comprehensive income				
A. Items that will be reclassified to profit or loss				
(i) Exchange differences on translation of foreign operations	(3)	(62)	(3)	(17)
B. Items that will not be reclassified to profit or loss				
(i) Remeasurements of post-employment benefit plans	-	(6)	-	(6)
(ii) Income tax credit / (charge) relating to above	-	1	-	1
Total other comprehensive income, net of income tax	(3)	(67)	(3)	(22)
11 Total Comprehensive income (9+10)	4,764	961	2,608	11,236
12 Paid up equity share capital (Face value of ₹ 2/- each)	1,455	1,455	1,453	1,455
13 Other equity and non controlling interest				58,540
14(a) Profit/ (loss) attributable to				
Owners	4,767	1,028	2,662	11,363
Non-controlling interest	-	-	(51)	(105)
	4,767	1,028	2,611	11,258
14(b) Other comprehensive income attributable to				
Owners	(3)	(67)	(3)	(22)
Non-controlling interest	-	-	-	-
	(3)	(67)	(3)	(22)
14(c) Total comprehensive income attributable to: [14(a) + 14(b)]				
Owners	4,764	961	2,659	11,341
Non-controlling interest	-	-	(51)	(105)
	4,764	961	2,608	11,236
15 Earnings per share of ₹ 2/- each (Refer note below)				
Basic and Diluted (in ₹)	6.71	1.45	3.75	16.01

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).

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Unaudited Consolidated Segment wise Revenue, Results, Assets and Liabilities as of and for the quarter ended on June 30, 2023

(₹ in Millions)

Particulars	Quarter ended			Year ended
	June 30, 2023 (Unaudited)	March 31, 2023 (Refer note 8)	June 30, 2022 (Unaudited)	March 31, 2023 (Audited)
1 Segment revenue				
Beverage Alcohol	21,719	24,938	21,946	103,737
Sports	4,986	136	2,264	2,442
Total net segment revenue	26,705	25,074	24,210	106,179
Inter segment elimination	(27)	(46)	(19)	(63)
Net segment revenue	26,678	25,028	24,191	106,116
Add: Excise duty (Beverage Alcohol)	31,406	32,888	47,122	172,038
Revenue from operations	58,084	57,916	71,313	278,154
2 Segment results - Earning before interest, tax, depreciation and exceptional items (EBITDA)				
Beverage Alcohol	3,850	3,366	2,694	14,230
Sports	3,285	(1,011)	1,029	(61)
Total segment results	7,135	2,355	3,723	14,169
Other income	217	180	262	731
Depreciation, amortisation and impairment expense				
Beverage Alcohol	(650)	(688)	(751)	(2,745)
Sports	(93)	-	(80)	(80)
Finance costs	(43)	(360)	(225)	(1,039)
Exceptional items net gain/(loss) - Beverage Alcohol	(171)	(180)	(384)	1,764
Share of net (loss) in associate accounted for using equity method	(5)	(4)	(3)	(14)
Profit before tax	6,390	1,303	2,542	12,786
3 Segment assets				
Beverage Alcohol	94,952	94,244	88,724	94,244
Sports	8,258	4,355	5,469	4,355
Total segment assets	103,210	98,599	94,193	98,599
Inter segment elimination	(59)	(984)	(121)	(984)
Total assets	103,151	97,615	94,072	97,615
4 Segment liabilities				
Beverage Alcohol	34,617	36,285	40,233	36,285
Sports	3,832	2,319	2,606	2,319
Total segment liabilities	38,449	38,604	42,839	38,604
Inter segment elimination	(59)	(984)	(121)	(984)
Total liabilities	38,390	37,620	42,718	37,620

*Refer Note-1

United Spirits Limited

Notes to the Unaudited Standalone and Consolidated Statements of Financial Results for the quarter ended June 30, 2023

1. United Spirits Limited ('the Company' or 'the Holding Company') is engaged in the business of manufacture (including through tie-up manufacturing units), purchase and sale of beverage alcohol (including franchising of some of its brands in certain states), and other allied spirits. In addition, Royal Challengers Sports Private Limited, a 100% subsidiary of the Company, has rights to operate sports franchise.

The Executive Committee of the Company has been identified as the Chief Operating Decision Maker (CODM). The CODM of the Company assesses performance and allocates resources for the business of the Group. Effective April 1, 2023, the Management has reassessed the composition of its segments. Accordingly, the operating segments have been changed from single operating segment to following operating segments:

- Beverage alcohol – Manufacture, purchase, franchise and sale of beverage alcohol and other allied spirits
- Sports- Own rights to operate sports franchise

2. The consolidated financial results for the quarter ended June 30, 2023 include the following subsidiaries and a trust controlled by the Company ('the Group'):

Indian subsidiaries:

- Royal Challengers Sports Private 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 (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 loss (comprising loss and other comprehensive income) of the following associate company:

- Nao Spirits & Beverages Private Limited (equity ownership interest of 9.3%)

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 ended June 30, 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 ₹ 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 ended June 30, 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 and (vii) Asian Opportunities and Investments Limited. Accordingly, assets and liabilities of such subsidiaries have been recognised as current at their fair values that approximate to their carrying values as at June 30, 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 ₹ 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 ₹ 13,374 million, and for the accrued interest of ₹ 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 ₹ 11,368 million up to June 30, 2023. The Company has cumulatively offset ₹ 2,062 million payable to UBHL arising under a trademark license agreement against the principal amount of loan and interest accrued thereon.

Since UBHL had defaulted on its obligations under the Loan Agreement, the Company sought redressal of disputes and claims through arbitration under the terms of the Loan Agreement. In April 2018, the arbitral tribunal passed a final award against the Company. The reasons for this adverse award were disputed by the Company, and the Company obtained leave from the High Court of Karnataka to challenge this arbitral award. In July 2018, the Company filed a petition challenging the said award before the Jurisdictional Court in Bangalore (the “Court”). The Court issued notice pursuant thereto to the Official Liquidator (OL) and the case is pending. The Company filed its claim with the OL. Notwithstanding the arbitral award, based on management assessment supported by an external legal opinion, the Company has offset payable to UBHL under the trademark license agreement against the balance of loan receivable from UBHL. The Company's officers attended meetings and exchanged certain correspondence with the OL during the year ended March 31, 2023 in relation to the claim filed and the set-off. During the current quarter, the OL filed an application before the High Court of Karnataka, seeking avoidance of setoff by the Company of the above license fee payments and recovery of the entire license fee payable under trademark license agreement with interest. Based on the Management assessment supported by external legal opinions, the Company continues to believe that it has a good case on merits.

(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.

United Spirits Limited

Notes to the Standalone and Consolidated Statements of Financial Results for the quarter and ended June 30, 2023 – Contd.

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 ₹ 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 ₹ 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.

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 ₹ 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.

5. 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 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 quarter, the Company has recognised a provision of ₹ 171 million under exceptional items towards severance cost relating to a closed unit in the standalone and consolidated statements of financial results.

6. Investment in Nao Spirits

Board of Directors on January 24, 2023 approved additional investment of ₹ 150 million in Nao Spirits & Beverages Private Limited ("Nao Spirits"). Consequent to this additional investment, the company's holding in Nao spirits will increase from 22.5% to 30% on a fully diluted basis. The Company is awaiting satisfaction of the conditions precedent specified in the Share Subscription and Shareholders Agreement (SSHA) before making the additional investment.

7. The Company completed slump sale of the entire business undertaking associated with 32 brands in the popular segment to Inbrew Beverages Private Limited ("Inbrew") on September 30, 2022. Accordingly, the figures for the quarter ended June 30, 2022 are not comparable with the figures for the quarter ended June 30, 2023.

United Spirits Limited

Notes to the Standalone and Consolidated Statements of Financial Results for the quarter and ended June 30, 2023 –

8. Figures for the quarter ended March 31, 2023, are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures up to the third quarter of the previous financial year, as adjusted for certain regroupings/ reclassifications, where considered necessary.

9. The Statement of Standalone and Consolidated Financial Results for the quarter ended June 30, 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 July 20, 2023.

For and on behalf of the Board of Directors

**DIBYENDU
MAJUMDER** Digitally signed by
DIBYENDU MAJUMDER
Date: 2023.07.20
15:42:24 +05'30'

Place: Delhi
Date: July 20, 2023

**HINA
NAGARAJAN** Digitally signed by HINA
NAGARAJAN
Date: 2023.07.20 15:07:36
+05'30'

Hina Nagarajan
Managing Director and Chief Executive Officer

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 consolidated unaudited financial results of United Spirits Limited (the "Holding Company"), its subsidiaries and 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 ended June 30, 2023 which are included in the accompanying "Unaudited Consolidated Statement of Financial Results for the quarter ended June 30, 2023" 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").
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.
4. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.



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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/E300009 (ICAI registration number before conversion was 304026E)

Price Waterhouse & Co Chartered Accountants LLP

5. The Consolidated Financial Results includes the results of the following entities:

Indian Subsidiaries

- Royal Challengers Sports Private 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 (UK) Limited
- USL Holdings Limited
- USL Holdings (UK) Limited

Trust controlled by the Holding Company

- USL Benefit Trust

The Consolidated Financial Results also includes 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

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 Standards 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.

7. We draw your attention to the following matters:

- a. As explained in Note 4(a) to the Consolidated 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 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.



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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.
8. The Consolidated Financial Results includes the financial information of 8 subsidiaries and a trust controlled by the Group which have not been reviewed by their auditors, whose financial information reflect total revenue of Nil, total net loss after tax of INR 3 million and total comprehensive loss of INR 3 million for the quarter ended June 30, 2023, as considered in the Consolidated Financial Results. The Consolidated Financial Results also includes the Group’s share of net loss after tax of INR 5 million and total comprehensive loss of INR 5 million for the quarter ended June 30, 2023, as considered in the Consolidated Financial Results, in respect of an associate company, based on its financial information which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these financial results are not material to the Group.

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

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

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Dibyendu Majumder
Partner
Membership Number: 057687
UDIN: 23057687BGVGAS6155

Place: Mumbai
Date: July 20, 2023

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 ended June 30, 2023, which are included in the accompanying 'Unaudited Standalone Statement of Financial Results for the quarter ended June 30, 2023', together with notes thereon (hereinafter referred to as 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").
2. This Standalone Financial Results, which is the responsibility of the Company's Management and has been 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 Engagement (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 accompanying Standalone Financial Results has not been prepared in all material respects in accordance with recognition and measurement principles laid down in the aforesaid India Accounting Standards 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.



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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/E300009 (ICAI registration number before conversion was 304026E)

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5. We draw your attention to the following matters:
- a. As explained in 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 completion of Additional Inquiry, certain regulatory notices and communications were received from Securities and Exchange Board of India, Directorate of Enforcement and Authorised Dealer ('AD') 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.

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

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Dibyendu Majumder
Partner
Membership Number: 057687
UDIN: 23057687BGVGAR1825

Place: Mumbai
Date: July 20, 2023