

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

27th May 2022

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 Sir/Madam,

Sub: Intimation of audited financial results for the quarter and year ended 31st March 2022 pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In continuation of our letter dated 17th May 2022, we wish to inform you that the Board of Directors of the Company, at its meeting held today, has *inter alia* :

- i) Approved the Audited Financial results (Standalone and Consolidated) for the quarter and year ended 31st March 2022. The said results in the prescribed format along with Independent Auditors' Report are enclosed herewith. A copy of the press release is also enclosed for your reference.
- ii) The Independent Auditors have issued an unmodified opinion, as referred in para 2 of Auditor's Report (AR) on the standalone financial results and para 2 of AR on consolidated financial results.

The meeting commenced at 13.45 hours IST and concluded at 17:30 hours IST. Also note that the aforesaid information will be available on our website www.diageoindia.com.

Thanking you,

For United Spirits Limited



Mital Sanghvi
Company Secretary

Enclosed: as above



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Standalone Statement of Financial Results for the quarter and year ended March 31, 2022

(INR in Millions except for earnings per share data)

Particulars	3 months ended March 31, 2022	3 months ended December 31, 2021	3 months ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
	Refer Note 16	Unaudited	Refer Note 16	Audited	
1 Income					
(a) Revenue from operations	76,667	88,545	76,721	307,311	271,764
(b) Other income	258	16	61	415	478
Total income	76,925	88,561	76,782	307,726	272,242
2 Expenses:					
(a) Cost of materials consumed	11,278	13,563	9,732	47,992	39,886
(b) Purchase of stock-in-trade	1,724	2,412	1,186	5,773	3,494
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,183	145	1,550	(861)	1,302
(d) Excise duty	52,316	59,698	54,477	213,494	192,872
(e) Employee benefits expense	1,357	1,441	1,241	6,335	5,404
(f) Depreciation and amortisation expense	671	662	670	2,542	2,493
(g) Others:					
(i) Advertisement and sales promotion (Refer Note 15)	1,312	2,963	1,017	6,892	5,484
(ii) Loss allowance on trade receivables and other financial assets (net)	(71)	(312)	(31)	(129)	484
(iii) Other expenses	3,301	3,728	3,431	12,708	12,961
(h) Finance costs	127	338	275	649	1,658
Total expenses	73,198	84,638	73,548	295,395	266,038
3 Profit before exceptional items and tax (1 - 2)	3,727	3,923	3,234	12,331	6,204
4 Exceptional items, net (Refer Note 7)	(1,732)	-	(764)	(2,091)	(1,514)
5 Profit before tax (3 + 4)	1,995	3,923	2,470	10,240	4,690
6 Income tax expense					
(a) Current tax	558	1,040	612	2,593	1,764
(b) Current tax relating to earlier years	(51)	-	(20)	(243)	(37)
(c) Deferred tax charge / (credit)	126	(28)	205	192	(140)
Total tax expense	633	1,012	797	2,542	1,587
7 Profit for the period (5 - 6)	1,362	2,911	1,673	7,698	3,103
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	54	110	76	164	76
(ii) Income tax credit / (charge) relating to above	(13)	(28)	(19)	(41)	(19)
Total other comprehensive income, net of income tax	41	82	57	123	57
9 Total Comprehensive Income (7 + 8)	1,403	2,993	1,730	7,821	3,160
10 Paid up Equity Share Capital (Face value of INR 2/- each)	1,453	1,453	1,453	1,453	1,453
11 Other Equity				47,564	39,815
12 Earnings per share of INR 2/- each:					
Basic and Diluted (in INR)	1.87	4.01	2.30	10.59	4.27

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Consolidated Statement of Financial Results for the quarter and year ended March 31, 2022

(INR in Millions except for earnings per share data)

	3 months ended March 31, 2022	3 months ended December 31, 2021	3 months ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
	Refer Note 16	Unaudited	Refer Note 16	Audited	
1 Income					
(a) Revenue from operations	77,673	89,172	76,781	310,618	274,185
(b) Other income	238	1	46	355	396
Total income	77,911	89,173	76,827	310,973	274,581
2 Expenses:					
(a) Cost of materials consumed	11,226	13,570	9,624	47,969	39,731
(b) Purchase of stock-in-trade	1,724	2,412	1,186	5,773	3,494
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,180	180	1,602	(827)	1,331
(d) Excise duty	52,316	59,698	54,477	213,494	192,872
(e) Employee benefits expense	1,424	1,481	1,289	6,531	5,564
(f) Depreciation and amortisation expense	774	758	770	3,038	2,991
(g) Others:					
(i) Advertisement and sales promotion (Refer Note 15)	1,332	3,000	1,030	6,949	5,515
(ii) Loss allowance on trade receivables and other financial assets (net)	(71)	(312)	(5)	(129)	510
(iii) Other expenses	4,224	3,956	3,615	14,777	14,641
(h) Finance costs	165	392	334	880	1,876
Total expenses	74,294	85,135	73,922	298,455	268,525
3 Profit before share of net profit / (loss) in associates, exceptional items and tax (1-2)	3,617	4,038	2,905	12,518	6,056
4 Share of net profit / (loss) in associate	-	-	-	-	(13)
5 Profit before exceptional items and tax (3+4)	3,617	4,038	2,905	12,518	6,043
6 Exceptional items, net (Refer Note 7)	(1,204)	-	(95)	(1,652)	(643)
7 Profit before tax (5 + 6)	2,413	4,038	2,810	10,866	5,400
8 Income tax expense					
(a) Current tax	558	1,040	612	2,593	1,764
(b) Current tax relating to earlier years	(55)	-	(14)	(247)	(31)
(c) Deferred tax charge / (credit)	124	45	179	414	46
Total tax expense	627	1,085	777	2,760	1,779
9 Profit for the period (7-8)	1,786	2,953	2,033	8,106	3,621
10 Other Comprehensive Income					
A. Items that will be reclassified to profit or loss					
(i) Exchange differences on translation of foreign operations	13	(2)	1	1	15
B. Items that will not be reclassified to profit or loss					
(i) Remeasurements of post-employment benefit plans	54	110	67	164	67
(ii) Income tax credit / (charge) relating to above	(13)	(28)	(19)	(41)	(19)
Total other comprehensive income, net of income tax	54	80	49	124	63
11 Total Comprehensive Income (9+10)	1,840	3,033	2,082	8,230	3,684
12 Paid up Equity Share Capital (Face value of INR 2/- each)	1,453	1,453	1,453	1,453	1,453
13 Other Equity				48,084	39,745
14(a) Profit/ (loss) attributable to:					
Owners	1,817	2,996	2,087	8,286	3,836
Non-controlling interest	(31)	(43)	(54)	(180)	(215)
	1,786	2,953	2,033	8,106	3,621
14(b) Other comprehensive income attributable to:					
Owners	54	80	51	124	65
Non-controlling interest	-	-	(2)	-	(2)
	54	80	49	124	63
14(c) Total comprehensive income attributable to: [14(a) + 14(b)]					
Owners	1,871	3,076	2,138	8,410	3,901
Non controlling Interest	(31)	(43)	(56)	(180)	(217)
	1,840	3,033	2,082	8,230	3,684
15 Earnings per share of INR 2/- each: [Refer Note below]					
Basic and Diluted (in INR)	2.56	4.22	2.94	11.68	5.41

Note:

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

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Standalone Statement of Assets and Liabilities as at March 31, 2022

(INR in Millions)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	Audited	
ASSETS		
Non-current assets		
Property, plant and equipment	10,160	11,048
Right-of-use assets	2,606	1,644
Capital work-in-progress	817	781
Intangible assets	246	316
Intangible assets under development	80	84
Financial assets		
Investments in subsidiaries and associate	2,169	2,021
Loans	-	1,583
Other financial assets	863	951
Deferred tax assets (net)	1,478	1,711
Current tax assets (net) (Non-current)	12,049	10,367
Other non-current assets	2,215	2,914
Total non-current assets	32,683	33,420
Current assets		
Inventories	20,771	19,810
Financial assets		
Investments	2,221	-
Trade receivables	23,021	21,601
Cash and cash equivalents	270	492
Bank balances other than cash and cash equivalents	58	61
Loans	1,387	863
Other financial assets	559	2,189
Other current assets	3,183	2,976
Total current assets	51,470	47,992
Total assets	84,153	81,412
EQUITY AND LIABILITIES		
EQUITY		
Share capital	1,453	1,453
Other equity		
Reserves and surplus	47,564	39,815
Total equity	49,017	41,268
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Lease liabilities	1,341	925
Provisions	132	75
Total non-current liabilities	1,473	1,000
Current liabilities		
Financial liabilities		
Borrowings	-	5,556
Lease liabilities	1,296	653
Trade payables		
(A) total outstanding dues of micro and small enterprises	777	640
(B) total outstanding dues of creditors other than micro and small enterprises	14,271	13,173
Other financial liabilities	1,889	1,921
Provisions	4,576	5,379
Current tax liabilities (net)	2,765	3,225
Other current liabilities	8,089	8,597
Total current liabilities	33,663	39,144
Total liabilities	35,136	40,144
Total equity and liabilities	84,153	81,412

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Consolidated Statement of Assets and Liabilities as at March 31, 2022

(INR in Millions)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	Audited	
ASSETS		
Non-current assets		
Property, plant and equipment	12,152	13,247
Right-of-use assets	2,606	1,644
Capital work-in-progress	877	883
Goodwill	210	210
Other Intangible assets	3,580	3,755
Intangible assets under development	80	84
Investment Property	-	75
Financial assets		
Other financial assets	1,485	1,813
Deferred tax assets (net)	1,478	1,711
Current tax assets (net) (Non-current)	12,614	10,823
Other non-current assets	2,397	3,095
Total non-current assets	37,479	37,340
Current assets		
Inventories	21,567	20,519
Financial assets		
Investments	2,221	-
Trade receivables	23,736	21,872
Cash and cash equivalents	545	778
Bank balances other than cash and cash equivalents	58	61
Loans	113	14
Other financial assets	772	2,328
Other current assets	2,622	2,458
Total current assets	51,634	48,030
Total assets	89,113	85,370
EQUITY AND LIABILITIES		
EQUITY		
Share capital	1,453	1,453
Other equity		
Reserves and surplus	48,084	39,745
Equity attributable to the owners of the United Spirits Limited	49,537	41,198
Non-controlling interests	(789)	(609)
Total equity	48,748	40,589
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Borrowings	9	22
Lease liabilities	1,341	925
Provisions	483	96
Deferred tax liabilities	149	261
Other non-current liabilities	-	100
Total non-current liabilities	1,982	1,404
Current liabilities		
Financial liabilities		
Borrowings	3,408	8,768
Lease liabilities	1,296	653
Trade payables		
(A) total outstanding dues of micro and small enterprises	793	662
(B) total outstanding dues of creditors other than micro and small enterprises	15,028	13,510
Other financial liabilities	1,823	1,975
Provisions	4,880	5,738
Current tax liabilities (net)	2,765	3,225
Other current liabilities	8,390	8,846
Total current liabilities	38,383	43,377
Total liabilities	40,365	44,781
Total equity and liabilities	89,113	85,370

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Standalone Statement of Cash flows for the year ended March 31, 2022

(INR in Millions)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Audited	
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	10,240	4,690
Adjustments for		
Depreciation, amortisation and impairment expense	2,542	2,493
Employee share-based payment expense	255	66
Loss allowance on trade receivables and other financial assets (net)	(129)	484
Provision for doubtful other assets (net)	158	59
Exchange (gain) / loss (net) on translation of foreign currency monetary assets and liabilities	(4)	11
Finance costs	649	1,658
Liabilities, provisions no longer required written back	-	(82)
Gain on disposal of property, plant and equipment (net)	(123)	(165)
Interest income	(272)	(230)
Exceptional items, net (Refer Note 7)	2,091	1,514
Operating profit before changes in working capital	15,407	10,498
(Increase) / decrease in trade receivables	(1,603)	913
(Increase) / decrease in loans and other financial assets	1,706	735
(Increase) / decrease in other assets	(679)	614
(Increase) / decrease in inventories	(961)	(1,449)
Increase / (decrease) in trade payables	821	2,032
Increase / (decrease) in other financial liabilities	162	315
Increase / (decrease) in other liabilities	(599)	4,623
Increase / (decrease) in provisions	(906)	253
Cash generated from operations	13,348	18,534
Income taxes paid (net of refund)	(4,463)	(1,252)
Net cash generated from operating activities (A)	8,885	17,282
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(1,152)	(1,411)
Advance lease payments for right-of-use assets	-	(148)
Proceeds from sale of property, plant and equipment	374	349
(Purchase) / redemption of current Investments (net)	(2,221)	-
Investment in a subsidiary	(148)	-
Investment in an associate	-	(20)
Proceeds from sale of investment in subsidiaries	-	300
Remittance upon liquidation of a subsidiary	89	-
Proceeds from disposal of investment in an associate	5	-
Loans given to subsidiaries	(2,499)	(1,525)
Loans given to others	(100)	-
Repayment of loans by subsidiaries	3,210	2,398
Interest received	170	191
Net cash inflow from investing activities (B)	(2,272)	134
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term loans	-	(7,500)
Net proceeds / (repayment) of working capital loans	(5,556)	(7,674)
Interest paid on borrowings	(158)	(1,058)
Principal repayment of lease liabilities	(1,002)	(807)
Interest paid on lease liabilities	(119)	(156)
Net cash outflow from financing activities (C)	(6,835)	(17,195)
Net increase / (decrease) in cash and cash equivalents [D = A+B+C]	(222)	221
Cash and cash equivalents as at the beginning of the year (E)	492	271
Effects of exchange rate changes on cash and cash equivalents	0	0
Net increase / (decrease) in cash and cash equivalents	(222)	221
Cash and cash equivalents as at the end of the year [D+E]	270	492

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Consolidated Statement of Cash flows for the year ended March 31, 2022

(INR in Millions)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Audited	
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	10,866	5,400
Adjustments for		
Depreciation, amortisation and impairment expense	3,038	2,991
Employee share-based payment expense	255	66
Loss allowance on trade receivables and other financial assets (net)	(129)	510
Provision for doubtful other assets (net)	158	61
Exchange gain (net) on translation of assets and liabilities	1	15
Finance costs	880	1,876
Liabilities, provisions no longer required written back	(134)	(86)
Gain on disposal of property, plant and equipment (net)	(123)	(168)
Profit on sale of Investment property	(6)	-
Interest income	(61)	(111)
Share of net (profit)/loss in associate accounted for using equity method	-	13
Exceptional items, net (Refer Note 7)	1,652	643
Operating profit before changes in working capital	16,397	11,210
(Increase) / decrease in trade receivables	(2,051)	652
(Increase) / decrease in loans and other financial assets	1,849	811
(Increase) / decrease in other assets	(455)	474
(Increase) / decrease in inventories	(1,048)	(1,244)
Increase / (decrease) in trade payables	1,227	2,092
Increase / (decrease) in other financial liabilities	(101)	328
Increase / (decrease) in other liabilities	(647)	4,565
Increase / (decrease) in provisions	(827)	357
Cash generated from operations	14,344	19,245
Income taxes paid (net of refund)	(4,570)	(1,068)
Net cash generated from operating activities (A)	9,774	18,177
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(1,340)	(1,589)
Advance lease payments for right-of-use assets	-	(148)
Proceeds from sale of property, plant and equipment and assets held for sale	384	354
(Purchase) / redemption of current Investments (net)	(2,221)	-
Investment in an associate	-	(20)
Proceeds from sale of subsidiaries	-	300
Proceeds from disposal of investment in an associate	5	-
Loans given to others	(100)	-
Interest received	64	111
Proceeds from sale of investment property	81	-
Net cash inflow / (outflow) from investing activities (B)	(3,127)	(992)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term loans	-	(7,500)
Net proceeds / (repayment) of working capital loans	(5,357)	(7,315)
Repayment of deferred sales tax liability	(20)	(26)
Interest paid on borrowings	(382)	(1,264)
Principal repayment of lease liabilities	(1,002)	(807)
Interest paid on lease liabilities	(119)	(156)
Net cash inflow / (outflow) from financing activities (C)	(6,880)	(17,068)
Net increase / (decrease) in cash and cash equivalents [D = A+B+C]	(233)	117
Cash and cash equivalents as at the beginning of the year (E)	778	661
Effects of exchange rate changes on cash and cash equivalents	0	0
Net increase / (decrease) in cash and cash equivalents	(233)	117
Cash and cash equivalents as at the end of the year [D+E]	545	778

United Spirits Limited

Notes to the Audited Standalone and Consolidated Statements of Financial Results for the quarter and year ended March 31, 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
- Tern Distilleries Private Limited (up to January 27, 2021)

Overseas subsidiaries:

- Asian Opportunities and Investments Limited
- Liquidity, Inc. (up to December 18, 2020)
- McDowell & Co. (Scotland) Limited
- Montrose International S.A ("Montrose") (ceased to be a subsidiary w.e.f. April 16, 2021)
- UB Sports Management Overseas Limited (merged with Palmer Investment Group Limited w.e.f. July 15, 2020)
- 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 includes the Group's share of total comprehensive income (comprising profit / loss for the period and other comprehensive income) of the following associate company:

- Hip Bar Private Limited (till August 3, 2021) [Refer Note 10]

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 year ended March 31, 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 in the financial statements 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 year ended March 31, 2022 – Contd.

(b) Preparation of financial statements of subsidiaries on liquidation basis

Consequent to the Rationalisation Process, the financial statements of the following subsidiaries included in the consolidated financial statements 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 March 31, 2022. Such remeasurement did not have any material impact on the consolidated financial statements.

(c) Notices from the Ministry of Corporate Affairs

As disclosed in each of the annual financial statements commencing from year ended March 31, 2016, and pursuant to the inspection conducted by Ministry of Corporate Affairs (‘MCA’) during the year ended March 31, 2016, under Section 206(5) of the Companies Act, 2013, MCA issued show cause notices alleging violation of certain provisions of the Companies Act, 1956 and Companies Act, 2013, to which the Company had responded. As at the year ended March 31, 2022, the Company is awaiting response from the Registrar of Companies (RoC) on one compounding application and one show cause notice wherein the Company had requested the RoC to discontinue further proceedings based on expert legal advice received. The penalty and compounding fees arising out of adjudication applications and compounding application are not material. The management is of the view that in line with the past compounding/ adjudication orders, the financial impact arising out of compounding/ adjudication of the residual matters will not be material to the Company’s financial statements.

(d) Loan to United Breweries (Holdings) Limited (‘UBHL’)

As disclosed in each of the annual financial statements commencing from year ended March 31, 2015, the 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 has defaulted on its obligations to pay any amounts under the Loan Agreement. The Company has already 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 9,898 million up to March 31, 2022. The Company has offset payable to UBHL under a trademark agreement entered into with UBHL amounting to INR 74 million for the year ended March 31, 2022, and consequently, the corresponding provision for loan has been reversed to ‘Loss allowance on trade receivables and other financial assets (net)’. The cumulative offset up to March 31, 2022 amounted to INR 2,062 million.

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 and during the years ended March 31, 2021 and March 31, 2022, and subsequent to the year ended March 31, 2022, the Official Liquidator and the Company exchanged certain correspondence.

United Spirits Limited

Notes to the Standalone and Consolidated Statements of Financial Results for the quarter and year ended March 31, 2022 – Contd.

(e) Dispute with IDBI Bank Limited

As disclosed in each of the annual financial statements commencing from year ended March 31, 2015, during the year ended March 31, 2014, the 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.

In June 2019, a single judge bench of the High Court dismissed the Company’s writ petition, amongst other reasons, on the basis that the matter involved an issue of breach of contract by the Company and was therefore not maintainable in exercise of the court’s writ jurisdiction. The Company filed an appeal against this order before a division bench of the High Court, which was admitted and interim protection on the secured assets was reinstated. The writ appeal is pending.

Based on management assessment supported by external legal opinions, the Company continues to believe that it has a strong case on merits and therefore continues to believe that the aforesaid amount of INR 459 million remains recoverable from the bank.

In a separate proceeding before the Debt Recovery Tribunal (DRT), Bengaluru, initiated by a consortium of banks (including the bank) for recovery of loans advanced by the consortium of banks to Kingfisher Airlines Limited (KAL), the bank filed an application for attachment of the pledged shares belonging to USL Benefit Trust. DRT dismissed the said application of the bank and the bank filed an appeal against this order before the Debt Recovery Appellate Tribunal (‘DRAT’), Chennai in September 2017. The bank’s appeal is pending for final hearing by the DRAT. There have been no developments with respect to this matter during the year ended March 31, 2022.

(f) 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 year ended March 31, 2022.

United Spirits Limited

Notes to the Standalone and Consolidated Statements of Financial Results for the quarter and year ended March 31, 2022 – Contd.

(g) Developments in Relation to Past Claims from a Customer

In April 2021, a customer notified the Company that it was stopping further payment until pending issues of recovery were resolved. The customer was seeking to review a settled issue regarding differential trade terms, which the Company had voluntarily disclosed to the customer, and in relation to which all recovery claims made by the customer had been fully settled. This was disclosed in the annual financial statements for the years ended March 31, 2017 and March 31, 2018. In June 2021, the customer confirmed that the matter of original recovery was settled (which reaffirmed the Company's view) but made an additional claim amounting to INR 480 million and committed to resume payments. Further to this communication, the Company recognised a claim of INR 353 million (net), which has been presented as an exceptional item in the Standalone and Consolidated Results for the year ended March 31, 2022. The Company does not expect any further claim from the customer in relation to this matter. Also refer note 7.

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 – 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 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 and April 18, 2022. The next date of hearing before the NCLT is May 27, 2022.

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.

- Following the strategic review of select popular brands announced on February 23, 2021, the Board of Directors of the Company, on May 27, 2022, approved the sale of the business undertaking associated with 32 brands and franchising of 11 Popular brands to an unrelated party. The transaction is subject to the approval of the shareholders and other customary closing conditions. There is no impact of this transaction on the Standalone and Consolidated Financial Results for the quarter and year ended March 31, 2022.

United Spirits Limited

Notes to the Standalone and Consolidated Statements of Financial Results for the quarter and year ended March 31, 2022 – Contd.

7. Exceptional items

Amount in INR Million

Sl. No	Description	Quarter ended March 31, 2022		Year ended March 31, 2022	
		Income / (Expense)		Income / (Expense)	
		Standalone	Consolidated	Standalone	Consolidated
1	Remittance upon liquidation of a subsidiary	-	-	89	-
2	Commitment towards support for improving healthcare infrastructure [Refer Note 13]	-	-	(100)	(100)
3	Provision for claim from a customer (net) [Refer Note 4(g)]	-	-	(353)	(353)
4	Gain on disposal of associate [Refer Note 10]	-	-	5	5
5	Loss allowance on loans due from subsidiaries	(532)	-	(532)	-
6	Reversal of loss allowance on loans due from subsidiaries	4	-	4	-
7	Accelerated charge of pre-paid brand fee [Refer Note 8]	(864)	(864)	(864)	(864)
8	Provision for impairment loss on property, plant, and equipment [Refer Note 9]	(340)	(340)	(340)	(340)
	Total	(1,732)	(1,204)	(2,091)	(1,652)

8. During the quarter ended March 31, 2022, the Company carried out a consumer research and insights assessment by a third party with respect to a licensed “logo” from UBHL and determined that the “logo” has no impact on consumer’s purchasing decision, thereby resulting in no incremental benefits to the Company. Accordingly, the Company has recorded INR 864 million in exceptional item, being the accelerated charge pertaining to unamortized license fee. Also refer note 7
9. The Company has taken a charge of INR 340 million on account of impairment of property, plant, and equipment, which has been disclosed as an exceptional item in financial results for the quarter and year ended March 31, 2022. This represents impairment loss on property, plant and equipment in respect of certain operationally closed manufacturing units and includes provision towards potential regulatory risk arising out of excess land holdings in a state. The company is in discussion with appropriate authorities to resolve the potential risk. Also refer note 7.

10. Disposal of shares held in Hip Bar Private Limited

On 3rd August 2021, a share purchase agreement has been executed with Hip Bar Private Limited and Prasanna Natarajan, the promoter of Hip Bar, for sale of the entire stake of the Company [Equity Shares (4,567,568 Nos.) and Compulsory Convertible Preference Shares (1,950,000 Nos.)] in Hip Bar Private Limited for INR 5.2 million. Amount received on account of disposal amounting to INR 5.2 million has been presented as gain on disposal of associate under Exceptional item. Pursuant to the sale, the Company has also received all rights, title, and interest in the trademarks ‘CloudBar’ and ‘BarOnTheCloud’ from Hip Bar Private Limited, which have been valued at INR Nil. Also refer note 7.

11. Investment in Nao Spirits

On March 12, 2022, the Company announced a strategic investment in Nao Spirits & Beverages Private Limited (“Nao Spirits”). On April 29, 2022, the Company completed the acquisition by investing INR 315 million by subscribing to 8,094 Compulsory Convertible Preference Shares and 4,670 equity shares of Nao Spirits, resulting in the Company holding 22.5% ownership interest on a fully diluted basis. The Company has a call option to acquire remaining shares held by the other shareholders of Nao Spirits at a pre-determined valuation methodology.

United Spirits Limited

Notes to the Standalone and Consolidated Statements of Financial Results for the quarter and year ended March 31, 2022 – Contd.

12. Disclosures pertaining as 'large corporate' under SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018:

Details relating to identification as a 'Large Corporate':

Sl. no.	Particulars	Details
1	Name of the Company	United Spirits Limited
2	CIN	L01551KA1999PLC024991
3	Outstanding borrowing of Company as on March 31, 2022	Nil #
4	Highest credit rating during the previous financial year along with name of the Credit Rating Agency	AAA / Stable (Long-term) by CRISIL
5	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	NA

The outstanding amount disclosed above does not include outstanding Lease liabilities of INR 2,637 million as at March 31, 2022.

We confirm that we are not a Large Corporate as per the applicability criteria given under the SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 ("Circular").

Details of incremental borrowings done during the financial year ended March 31, 2022:

S.No.	Particulars	Details
i.	Incremental borrowing done in FY 2021-22 (a)	NIL
ii.	Mandatory borrowing to be done through issuance of debt securities (b) = (25% of a)	NA
iii.	Actual borrowings done through debt securities in FY 2021-22 (c)	NIL
iv.	Shortfall in the mandatory borrowing through debt securities, if any (d) = (b) - (c)	NA
v.	Reasons for short fall, if any, in mandatory borrowings through debt securities	NA

13. Impact of Covid-19

Management has considered various internal and external information available up to the date of approval of financial results in assessing the impact of Covid-19 pandemic on the Standalone and Consolidated Financial Results for the quarter and year ended March 31, 2022. Management has determined that COVID-19 is not likely to materially impact the future operations of the Company considering a large section of the population has been vaccinated and based on Company's own past experience with the pandemic,. The Company continues to maintain a positive outlook for the next financial year and will continue to monitor changes in future economic conditions.

With a surge in the spread of the Covid-19 pandemic in India during the quarter ended June 30, 2021, the Company has committed to spend INR 100 million towards improving health infrastructure of Government hospitals and institutions. The amount of INR 100 million has been recorded and presented as an exceptional item in the Statements of Standalone and Consolidated Financial Results for the year ended March 31, 2022. Also refer Note 7.

United Spirits Limited

Notes to the Standalone and Consolidated Statements of Financial Results for the quarter and year ended March 31, 2022 – Contd.

14. During the year ended March 31, 2022, for indirect tax related matters, the Company accounted for net provision reversal of INR 766 million based on a favourable order and certain jurisdictional assessments. This has resulted in a charge to 'Cost of materials' consumed amounting to INR 208 million, a credit to 'Other expenses' amounting to INR 750 million and a credit to 'Finance costs' amounting to INR 224 million. Further, the Company has also recognized a provision of INR 125 million as 'Loss allowance on trade receivables and other financial assets' on overdue corporation receivables in the State of Andhra Pradesh basis management assessment during the year ended March 31, 2022.
15. Advertisement and Sales Promotion expenses amounting to INR 232 million for the year ended March 31, 2021 have been reclassified to Other expenses to conform with the current period's presentation and to enhance the comparability of the results
16. Figures for the quarters ended March 31, 2022 and March 31, 2021, are the balancing figures between audited figures in respect of the respective full financial years and the published year-to-date figures up to the third quarter of the respective financial years, as adjusted for certain regroupings/ reclassifications.
17. The Statement of Standalone and Consolidated Financial Results for the quarter and year ended March 31, 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 May 27, 2022.

By authority of the Board

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Place: Ahmedabad
Date: May 27, 2022

Hina Nagarajan
Managing Director and Chief Executive Officer

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of United Spirits Limited

Report on the Audit of the Consolidated Financial Results

Opinion

1. We have audited the accompanying consolidated annual financial results of United Spirits Limited, Holding Company, its subsidiaries and the trust (together referred to as "the Group"), and its associate company (Refer Note 2 to the Consolidated Financial Results) for the year ended March 31, 2022, the consolidated statement of assets and liabilities and the consolidated statement of cash flows as at and for the year ended on that date which are included in the accompanying 'Consolidated Statement of Financial Results for the quarter and year ended March 31, 2022', 'Consolidated Statement of Assets and Liabilities as at March 31, 2022', 'Consolidated Statement of Cash Flows for the year ended March 31, 2022', together with notes thereon, attached herewith (hereinafter referred to as the "Consolidated Financial Results"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate financial statements of the overseas subsidiaries and a trust controlled by the Holding Company, the aforesaid Consolidated Financial Results:
 - a) include the annual financial results of the following entities:

Indian subsidiaries

- Pioneer Distilleries Limited
- Royal Challengers Sports Private Limited
- Sovereign Distilleries Limited
- Tern Distilleries Private Limited (ceased to be a subsidiary from January 27, 2021)

Overseas subsidiaries

- Asian Opportunities and Investments Limited
- Liquidity Inc. (ceased to be a subsidiary from December 18, 2020)
- McDowell & Co. (Scotland) Limited
- Montrose International S.A ("Montrose") (liquidated on April 16, 2021)
- UB Sports Management Overseas Limited (merged with Palmer Investment Group Limited with effect from July 15, 2020)
- Palmer Investment Group Limited

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

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors United Spirits Limited

Report on the Consolidated Financial Results

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- 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 Holding Company

- USL Benefit Trust

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

- Hip Bar Private Limited (ceased to be an associate with effect from August 13, 2021)
- b) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, as amended; and
- c) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Group and its associate company for the year ended March 31, 2022 and the consolidated statement of assets and liabilities and the consolidated statement of cash flows as at and for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Results' section of our report. We are independent of the Group and its associate company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in paragraphs 12 and 13 of the "Other Matter" section of our report below, other than the unaudited financial information as certified by the Management and referred to in paragraph 14 of the "Other Matter" section of our report below, is sufficient and appropriate to provide a basis for our opinion.

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors United Spirits Limited

Report on the Consolidated Financial Results

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4. **Emphasis of Matter**

We draw attention to the following matters:

- a) As explained in Note 4(a) to the Consolidated Financial Results regarding the uncertainties post completion of the Initial Inquiry, which identified references to certain Additional Parties and certain Additional matters, the then MD & CEO of the Holding Company, pursuant to the direction of the Board of Directors of the Holding Company, had carried out an Additional Inquiry that revealed transactions indicating actual and potential diversion of funds from the Holding Company and its Indian and overseas subsidiaries to, in most cases, Indian and overseas entities that appear to be affiliated or associated with the Holding Company's erstwhile non-executive Chairman and other potentially improper transactions. Post completion of Additional Inquiry certain regulatory notices and communications were received from Securities and Exchange Board of India, Directorate of Enforcement and Authorised Dealer banks to which the Holding Company has responded. Subsequently, the Holding Company commenced the rationalisation process for divestment/ liquidation/ merger of certain overseas subsidiaries including step down subsidiaries and completion of the above rationalisation process is subject to regulatory approvals in India and overseas. The Holding Company filed suits for recovery of certain amounts against relevant parties and individuals identified in the Additional Inquiry including excess managerial remuneration paid to the former Executive Director and CFO which have been fully provided for or recognised as expense in prior years. The management is currently unable to estimate the financial impact on the Holding Company, if any, arising out of potential non compliances with applicable laws as above.
- b) As explained in Note 4(e) 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 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(f) 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.

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

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors United Spirits Limited

Report on the Consolidated Financial Results

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Management's Responsibilities for the Consolidated Financial Results

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

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

8. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Consolidated Financial Results.

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors United Spirits Limited

Report on the Consolidated Financial Results

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9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - a) Identify and assess the risks of material misstatement of the Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
 - b) Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls. (Refer paragraph 17 below)
 - c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate company to cease to continue as a going concern.
 - e) Evaluate the overall presentation, structure and content of the Consolidated Financial Results, including the disclosures, and whether the Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
 - f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and financial information of its associate company to express an opinion on the Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Consolidated Financial Results of which we are the independent auditors. For the other entities included in the Consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
10. We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
11. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors United Spirits Limited

Report on the Consolidated Financial Results

Page 6 of 7

Other Matter

12. We did not audit the financial statements of one trust controlled by the Holding Company and incorporated in India, included in the Consolidated Financial Results, whose financial statements reflect total assets of INR 41 million and net assets of INR 41 million as at March 31, 2022, total revenue of Nil, total comprehensive loss (comprising of loss and other comprehensive income) of INR 0* million and net cash outflows of INR 0* million for the year ended March 31, 2022, have been prepared in accordance with accounting principles applicable to the trust and have been audited by the other auditor under generally accepted auditing standards applicable in India. The Holding Company's management has converted the financial statements of the trust from the accounting principles followed by the trust to the accounting principles applicable to the Holding Company. We have audited these conversion adjustments as necessary made by the Holding Company's management. Our opinion on the Consolidated Financial Results insofar as it relates to the balances and affairs of the trust, including other information, is based on the report of the other auditor and the conversion adjustments prepared by the Management of the Holding Company as necessary and audited by us.

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

13. We did not audit the financial statements of 9 subsidiaries located outside India, included in the Consolidated Financial Results, whose financial statements constitute total assets of INR 212 million and net assets of INR 193 million as at March 31, 2022, total revenues of Nil, total comprehensive loss (comprising of loss and other comprehensive income) of INR 10 million and net cash inflows of INR 74 million for the year ended March 31, 2022, have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have audited these conversion adjustments as necessary made by the Holding Company's management. Our opinion on the Consolidated Financial Results insofar as it relates to the balances and affairs of such subsidiaries located outside India, including other information, is based on the reports of other auditors and the conversion adjustments prepared by the Management of the Holding Company as necessary and audited by us.

14. The Consolidated Financial Results include: (i) financial information relating to one subsidiary which has been liquidated during the year and which reflect total assets of Nil and net assets of Nil as at March 31, 2022, total revenue of Nil, total comprehensive loss (comprising of loss and other comprehensive income) of Nil and net cash outflows of Nil for the year then ended; and ii) Group's share of total comprehensive loss of Nil (comprising of loss and other comprehensive income) for the year ended March 31, 2022 in respect of an associate company which has been sold during the year. The said financial information relating to one subsidiary and the associate company have not been audited by us. The financial information relating to one subsidiary and the associate company are unaudited and have been furnished to us by the Management of the Holding Company, and our opinion on the Consolidated Financial Results, insofar as it relates to the amounts and disclosures included in respect of the aforesaid subsidiary and the associate company, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Holding Company's Management, such financial information are not material to the Group.

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors United Spirits Limited

Report on the Consolidated Financial Results

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15. Our opinion on the Consolidated Financial Results is not modified in respect of the above matters specified in paragraphs 12 and 13 with respect to our reliance on the work done and the reports of the other auditors and as specified in paragraph 14 with respect to the financial information certified by the Management.
16. The Consolidated Financial Results include the results for the quarter ended March 31, 2022 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year, which are neither subject to limited review nor audited by us.

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

17. The Consolidated Financial Results dealt with by this report have been prepared for the express purpose of filing with the stock exchanges. These results are based on and should be read with the audited Consolidated Financial Results of the group and its associate company for the year ended March 31, 2022 on which we have issued an unmodified audit opinion vide our report dated May 27, 2022.

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: 22057687AJTAUS6427

Place: Bengaluru
Date: May 27, 2022

Price Waterhouse & Co Chartered Accountants LLP

Independent Auditor's Report

To the Board of Directors of United Spirits Limited

Report on the Audit of Standalone Financial Results

Opinion

1. We have audited the standalone annual financial results of United Spirits Limited ("the Company") for the year ended March 31, 2022, the standalone statement of assets and liabilities and the standalone statement of cash flows as at and for the year ended on that date which are included in the accompanying 'Standalone Statement of Financial Results for the quarter and year ended March 31, 2022', 'Standalone Statement of Assets and Liabilities as at March 31, 2022', 'Standalone Statement of Cash Flows for the year ended March 31, 2022', together with notes thereon, attached herewith (hereinafter referred to as the "Standalone Financial Results"), being submitted by the company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial results:
 - a) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
 - b) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ('Act') and other accounting principles generally accepted in India, of the net profit, other comprehensive income and other financial information of the Company for the year ended March 31, 2022 and the standalone statement of assets and liabilities and the standalone statement of cash flows as at and for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained us is sufficient and appropriate to provide a basis for our opinion.

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

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of United Spirits Limited
Report on Audit of Standalone Financial Results
Page 2 of 4

Emphasis of matter

4. 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(e) 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 High Court of Karnataka (the "Court"). Based on management assessment supported by external legal opinions, the Company has disclosed the aforesaid amount 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(f) 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 opinion is not modified in respect of the matters described under paragraph 4 above.

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of United Spirits Limited
Report on Audit of Standalone Financial Results
Page 3 of 4

Board of Director's Responsibilities for the Standalone Financial Results

5. This Standalone Financial Results has been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of this Standalone Financial Results that gives a true and fair view of the net profit and other comprehensive income and other financial information of the Company and the standalone statement of assets and liabilities and the standalone statement of cash flows in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Board of the Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Standalone Financial Results by the Directors of the Company, as aforesaid.
6. In preparing the Standalone Financial Results, the Board of Directors of the Company are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Standalone Financial Results

8. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Results.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - a) Identify and assess the risks of material misstatement of the Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls. (Refer Paragraph 12 below)

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of United Spirits Limited
Report on Audit of Standalone Financial Results
Page 4 of 4

- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board of Directors.
 - d) Conclude on the appropriateness of Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - e) Evaluate the overall presentation, structure and content of the Standalone Financial Results, including the disclosures, and whether the Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

11. The Standalone Financial Results include the results for the quarter ended March 31, 2022 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year, which are neither subject to limited review nor audited by us.

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

12. The Standalone Financial Results dealt with by this report has been prepared for the express purpose of filing with the stock exchanges. The Standalone Financial Results is based on and should be read with the audited standalone financial statements of the Company for the year ended March 31, 2022 on which we issued an unmodified audit opinion vide our report dated May 27, 2022.

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: 22057687AJTACR6605

Place: Bengaluru
Date: May 27, 2022

UNITED SPIRITS LIMITED

PRESS RELEASE

Audited financial results for the quarter and financial year ended 31 March 2022
(Standalone only)



Steady performance in a challenging environment

Fourth quarter performance highlights

- Net sales increased 9.5% lapping a strong prior year comparator driven by resilient consumer demand in off trade and gradual on trade recovery.
- Prestige & Above net sales grew 15.3% benefitting from premiumisation, on-going portfolio renovation and accelerated momentum in states with route to market unlock.
- Popular net sales grew 1.1% while Priority states were broadly flat.
- Gross margin was 41.7%, down 220bps; impacted by rising inflation partly offset by favourable product mix and productivity savings.
- EBITDA was Rs. 427 Crores, up 3.6%. EBITDA margin was 17.5%, down 99 bps, driven by the gross margin decline partially offset by leverage on operating costs. Marketing reinvestment rate during the quarter was 5.4% of net sales.
- Interest cost of Rs. 13 Crores is a non-debt related expense
- Exceptional items include (a) impairment of an inter-company loan provided to Pioneer Distilleries Ltd., together with interest, (b) impairment of fixed assets in certain operationally closed manufacturing units, (c) accelerated charge pertaining to unamortized brand/ license fee
- Profit after tax was Rs. 136 Crores and PAT margin was 5.6%.

Full year performance highlights

- Reported net sales increased 18.9%. Growth was underpinned by strong consumer demand in the off trade, premiumisation, recovery in on-trade and lapping soft comparators. Underlying net sales increased 18.4%, excluding the one-off sale of bulk scotch.
- Prestige & Above net sales increased 23.6%, primarily benefitting from favourable product mix.
- Popular net sales increased 8.2%, while the priority states increased 7.1%.
- Gross margin was 43.6%, up 25bps, primarily driven by favourable product mix, productivity savings from everyday cost efficiencies and lapping a one-off inventory provision.
- Marketing investment at 7.3% of reported net sales. It was up 25.7% to support brand building activities while lapping a prior year reduction due to COVID-19.
- Reported EBITDA was Rs. 1,511 Crores, up 53%. Reported EBITDA margin was 16.1%, up 358 bps primarily driven by fixed cost operating leverage and lapping one-off costs in the prior year. Excluding the one-off items, underlying EBITDA was up 276 bps.
- Reported interest cost was Rs.65 Crores, down 60.9% driven by debt repayment, interest rate reduction and a non-debt related charge.
- Exceptional items include (a) impairment of an inter-company loan provided to Pioneer Distilleries Ltd., together with interest, (b) impairment of fixed assets in certain operationally closed manufacturing units, (c) accelerated charge pertaining to unamortized brand/ license fee, (d) a one-off provision towards an additional demand in relation to a historical customer dispute.
- Tax includes a one-off reversal of 19.2 Crores.
- Profit after tax was Rs. 770 Crores, up 148.1% and PAT margin was 8.2%.

Ms Hina Nagarajan,CEO, commenting on the results said:

"We have delivered another quarter of consistent top-line and resilient EBITDA performance. The broad-based growth in the Prestige & Above segment demonstrates resilient consumer demand, the strength of our portfolio and focused execution of the strategy by the team. Strong cash flow generation is enabling re-investment in sustainable long-term growth.

In line with our strategy of continued portfolio premiumisation, innovation and commitment to sustainability, we launched 'Godawan', an artisanal single malt whisky. Godawan, translates to the Great Indian Bustard, now nearing extinction and we are aiding in the conservation of the species and restoring natural water resources in Rajasthan. We also acquired a strategic minority stake in Nao Spirits & Beverages Private Limited, an emerging craft gin company in India, with award-winning brands 'Greater Than' and 'Hapusa'. The investment provides us with an opportunity to strengthen participation in the fast-growing premium gin segment in India.

We have just concluded the strategic review of the select Popular brands and the Board has approved the sale and franchising of this portfolio to an unrelated third party. This is a significant move to enable sharpened focus on 'Prestige & Above' and reshape our portfolio to help deliver our growth mission.

Looking ahead, while we see macroeconomic uncertainty persisting in the near term driven by inflationary headwinds and geopolitical factors, we remain confident in the medium to long-term prospects of our industry. We remain focused on driving productivity and increasing the intensity of our engagement with states on price increases while remaining disciplined in the execution of our strategic priorities, to drive sustainable profitable growth and value for all our stakeholders."

KEY FINANCIAL INFORMATION
Key quarterly performance indicators

		F22 Q4	F22 Q3	F22 Q2	F22 Q1	F22 FY
Net sales	<i>Rs. Crores</i>	2435	2,885	2,447	1,615	9382
Reported Turnover growth	%	9.5	15.9	14.0	56.8	18.9
Gross profit margin	%	41.7	44.1	44.2	44.6	43.6
EBITDA margin	%	17.5	17.0	17.4	10.4	16.1
PAT margin	%	5.6	10.1	11.2	4.3	8.2

For the year ended 31 March 2022
Summary financial information

		F22 FY	F21 FY	Movement %
Volume	<i>000 cases</i>	79,148	70719	11.9
Net sales	<i>Rs. Crores</i>	9,382²	7889	18.9
COGS	<i>Rs. Crores</i>	(5290)	(4468)	18.4
Gross profit	<i>Rs. Crores</i>	4091³	3421	19.6
Staff cost	<i>Rs. Crores</i>	(634)	(540)	17.2
Marketing spends	<i>Rs. Crores</i>	(689)	(548) ¹	25.7
Other Overheads	<i>Rs. Crores</i>	(1258)	(1345) ¹	(6.4)
EBITDA	<i>Rs. Crores</i>	1511	988	53.0
Other Income	<i>Rs. Crores</i>	42	48	(13.2)
Depreciation	<i>Rs. Crores</i>	(254)	(249)	2.0
EBIT	<i>Rs. Crores</i>	1298	786	65.1
Interest	<i>Rs. Crores</i>	(65)	(166)	(60.9)
PBT before exceptional items	<i>Rs. Crores</i>	1233	620	98.8
Exceptional items	<i>Rs. Crores</i>	(209)	(151)	38.1
PBT	<i>Rs. Crores</i>	1024	469	118.3
Tax	<i>Rs. Crores</i>	(254)	(159)	(60.2)
PAT	<i>Rs. Crores</i>	770	310	148.1

Key performance indicators as a % of net sales (reported):

		F22 FY	F21 FY	Movement Bps
Gross profit	%	43.6	43.4	25
Staff cost	%	(6.8)	(6.8)	10
Marketing spends	%	(7.3)	(7.0)	(39)
Other Overheads	%	(13.4)	(17.0)	363
EBITDA	%	16.1	12.5	358
PAT	%	8.2	3.9	427
Basic earnings per share	<i>rupees</i>	10.6	4.3	6.3
Earnings per share before exceptional items	<i>rupees</i>	13.5	6.4	7.1

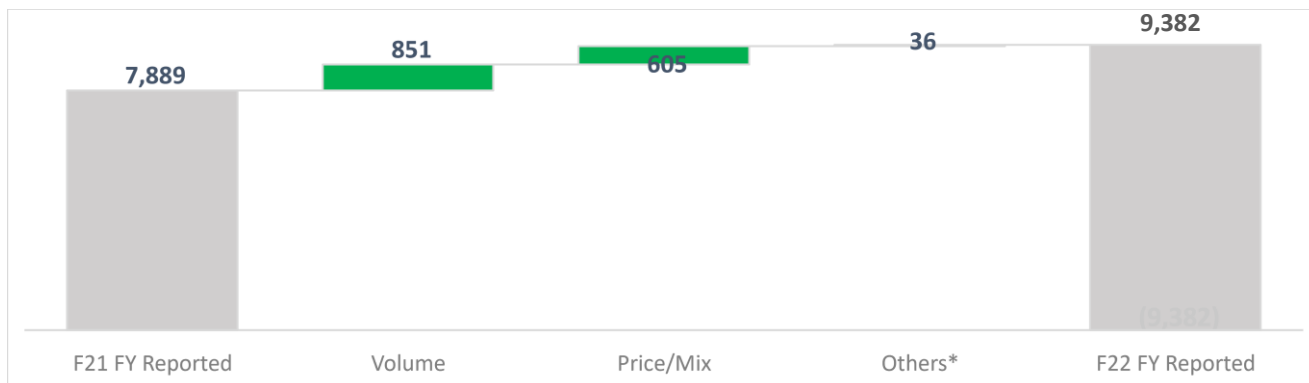
The company in compliance with Schedule III of the Companies Act, 2013 has reported revenue from operations inclusive of excise duty.

¹Marketing spends amounting ~INR 23.2 crores for the twelve months ended March 31, 2021 have been reclassified to Other expenses to conform with the current period's presentation and to enhance the comparability of the results..

²Includes a one-time bulk scotch sale of ~Rs. 40 Crores.

³Includes a one-time Gross Profit from bulk scotch sale of ~Rs. 13 Crores

Net sales (Rs. Crores)



* Others include primarily non IMFL sale including one off sale of bulk scotch

Reported net sales increased 18.9% in the full financial year. This double-digit top line growth reflects strong consumer demand in off trade and excellent execution, active portfolio management by pivoting to the channels and occasions most relevant to consumers and continuous recovery of on-trade. Excluding the one-off sale of bulk scotch, underlying net sales increased 18.4%. Net sales of Prestige & Above segment increased 23.6% while net sales of Popular segment increased 8.2%.

Overall volume increased 11.9% with growth of 14.6% in the Prestige & Above segment, outpacing the Popular volume expansion of 9.0%. Underlying price/mix for the year was favourable 6.5%, mainly due to favourable product mix.

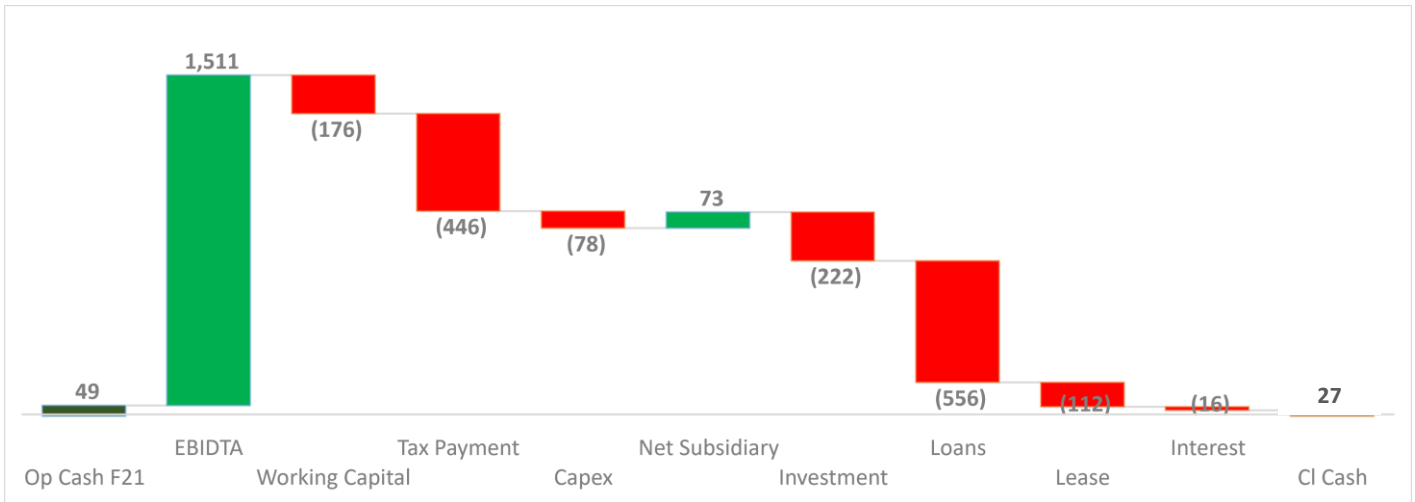
EBITDA (Rs. Crores, %, bps)



Reported EBITDA (Rs.1,511 Crores) increased 53% for the full financial year and margin increased by 358bps.

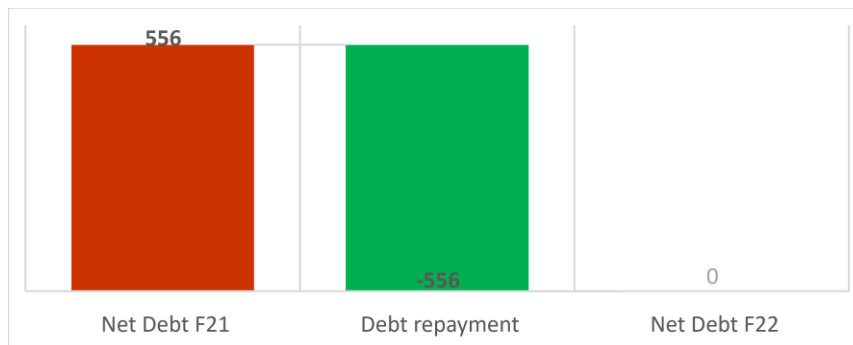
Gross profit increase of Rs. 670 Crores was predominantly volume and mix led, supported by productivity savings, and lapping the Covid wave 1 led decline in the comparator period. On a reported basis, staff costs were 6.8% of sales, down 10bps. Other overheads were 13.4% of reported sales, down 363bps due to improved operating leverage on fixed costs, everyday efficiency savings and lapping one-off expense in the prior year. We invested efficiently behind marketing and growth initiatives to accelerate portfolio performance and our marketing investment for full year was at 7.3% of sales.

Movement in cash (Rs. Crores)



Cash closed at Rs. 27 Crores. Increased net cash from operating activities was driven by growth in operating profit. This was utilised towards repayment of Rs. 556 Crores of debt and Rs. 222 crores were invested in varying mutual funds. There was increased working capital use to support organic growth. Capex investment was primarily to support productivity, core growth, health & safety and on asset care projects.

Movement in debt (Rs. Crores)



Closing net debt was nil. The free cash flow which stood generated from operating activities was utilised to repay Rs. 556 crores of debt during the year.

Interest cost savings of Rs. 101 Cr. is primarily due to debt repayment together with reduced interest rate.

SEGMENT AND BRAND REVIEW
 For the quarter and financial year ended 31 March 2022

Key segments:
For the Year ended 31 March 2022

	Volume				Net Sales			
	F22 FY	F21 FY	Reported	Underlying	F22 FY	F21 FY	Reported	Underlying
	Reported	Reported	movement	movement	Reported	Reported	movement	movement
	'000 cs	'000 cs	%	%	Rs. Cr.	Rs. Cr.	%	%
P&A	42,656	37,233	14.6	14.6	6805	5504	23.6	23.6
Popular	36,492	33,486	9.0	9.0	2458	2272	8.2	8.2
Other					119 ¹	114	4.7	(30.8)
TOTAL	79,148	70,719	11.9	11.9	9382¹	7889	18.9	18.4

¹ Includes bulk Scotch sale of ~Rs. 40 cr.

For the quarter ended 31 March 2022

	Volume				Net Sales			
	F22 Q4	F21 Q4	Reported	Underlying	F22 Q4	F21 Q4	Reported	Underlying
	Reported	Reported	movement	movement	Reported	Reported	movement	movement
	'000 cs	'000 cs	%	%	Rs. Cr.	Rs. Cr.	%	%
P&A	10,922	10,040	8.8	8.8	1766	1532	15.3	15.3
Popular	9,808	9,708	1.0	1.0	664	657	1.1	1.1
Other					5	36	(85.9)	(85.9)
TOTAL	20,731	19,748	5.0	5.0	2435	2224	9.5	9.5

- The **Prestige & Above segment** accounted for 72.5% of net sales during the financial year, up 2.8ppts compared to the same period last year. Prestige & Above segment net sales increased 23.6% during the year due to improved product mix and weak prior period comparators. During the year, Premium and Luxury portfolio grew faster than the Prestige portfolio led by our premiumisation drive. Within the Scotch portfolio, Johnnie Walker, Black & White, Black Dog and J&B delivered strong double-digit growth.
- The **Popular segment** accounted for 26.2% of net sales during the financial year, down 2.6ppt compared to the same period last year. The Popular segment net sales grew 8.2% during the year. Net sales of the Popular segment in priority states grew 7.1% during this period.

Cautionary statement concerning forward-looking statements

This document contains 'forward-looking' statements. These statements can be identified by the fact that they do not relate only to historical or current facts. In particular, forward-looking statements include all statements that express forecasts, expectations, plans, outlook and projections with respect to future matters, including trends in results of operations, margins, growth rates, overall market trends, the impact of changes in interest or exchange rates, the availability or cost of financing to United Spirits Limited ("USL"), anticipated cost savings or synergies, expected investments, the completion of USL's strategic transactions and restructuring programmes, anticipated tax rates, expected cash payments, outcomes of litigation, anticipated deficit reductions in relation to pension schemes and general economic conditions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including factors that are outside USL's control. USL neither intends, nor assumes any obligation, to update or revise these forward-looking statements in the light of any developments which may differ from those anticipated.

Investor enquiries to	Richa Periwal	+91 98 3695 5288	Richa.periwal@diageo.com
Media enquiries to	Rajalakshmi Azariah	+91 95 3587 3006	Rajalakshmi.Azariah@diageo.com

FY22 Results Presentation Webcast

The Company will host its F22 FY results presentation & annual investor meeting by way of a **webcast** on **Monday, 30th May 2022** at **10:00 am (IST time)**. The event will begin at 10:00 am IST with a presentation by Ms. Hina Nagarajan, Managing Director and Chief Executive Officer and Mr. Pradeep Jain, Chief Financial Officer. The presentation will be followed by a live Q&A session and the event will finish no later than 11:30 am IST

You could use the link below to view the presentation and listen to the webcast **or alternatively** use the dial-in details for a listen-only option. **You can submit your questions via chat option on the webcast or ask them over the phone.** Please refrain from joining simultaneously over both the mediums to avoid any quality issues.

Conference Joining Information

Option 1

Connect to the webcast to view the presentation and listen to the audio without having to wait for an operator. It's easy, It's convenient, It's effective. Please do so 15 minutes prior to the conference schedule to ensure that you are connected in time.

Express Join with DiamondPass™ No Wait Time

<https://services.choruscall.in/DiamondPassRegistration/register?confirmationNumber=3801664&linkSecurityString=1057344140>

Participant Link

<https://links.ccwebcast.com/?EventId=UNL300522>

(Link to be accessed by the participants to connect to the event)

Option 2

When using dial-in numbers mentioned below please do so 10 minutes prior to the conference schedule to ensure that you are connected to your call in time.

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South Africa +27 110623033
UK +44 2034785524
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