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

24th January 2023

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

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

Dear Sirs,

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

The Board of Directors of the Company at their meeting held today *inter-alia* approved the unaudited financial results (standalone and consolidated) of the Company for the quarter and nine months ended 31st December 2022. The same is enclosed.

Further, the Limited Review Report received from the Statutory Auditors of the Company along with the Press Release are also enclosed.

The aforesaid information will be available on our website www.diageoindia.com. The meeting commenced at 14:45 hours IST and concluded at 18:45 hours IST.

This is for your information and records.

Thank you,

For United Spirits Limited

MITAL ARVIND SANGHVI

Digitally signed by MITAL ARVIND SANGHVI
Date: 2023.01.24 18:55:35 +05'30'

Mital Sanghvi
Company Secretary

Encl : as above

UNITED SPIRITS LIMITED

A DIAGEO Group Company

'UB Tower', # 24, Vittal Mallya Road, Bangalore - 560 001
Tel +91 80 3985 6500, 2221 0705 | CIN: L01551KA1999PLC024991 | www.diageoindia.com

Unaudited Standalone Statement of Financial Results for the quarter and nine months period ended December 31, 2022

(INR in Millions except for earnings per share data)

	Particulars	3 months ended December 31, 2022	3 months ended September 30, 2022	3 months ended December 31, 2021	9 months ended December 31, 2022	9 months ended December 31, 2021	Previous year ended March 31, 2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Income**						
	(a) Revenue from operations	66,122	82,759	88,498	2,17,949	2,30,409	3,07,731
	(b) Other income	232	85	21	573	171	337
	Total income	**66,354**	**82,844**	**88,519**	**2,18,522**	**2,30,580**	**3,08,068**
2	**Expenses:**						
	(a) Cost of materials consumed	14,191	17,549	13,569	45,802	36,664	47,894
	(b) Purchase of stock-in-trade	808	687	2,412	3,873	4,049	5,773
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,531	(643)	177	(2,580)	(2,007)	(828)
	(d) Excise duty	38,311	53,717	59,698	1,39,150	1,61,178	2,13,494
	(e) Employee benefits expense	1,608	1,525	1,479	4,852	5,101	6,496
	(f) Depreciation, amortisation and impairment expense	636	645	745	2,022	2,135	2,886
	(g) Others:						
	(i) Advertisement and sales promotion	2,768	1,584	2,963	5,755	5,580	6,892
	(ii) Loss allowance on trade receivables and other financial assets (net)	(34)	56	(312)	18	(58)	(129)
	(iii) Other expenses	3,261	3,860	3,614	10,272	9,084	13,035
	(h) Finance costs	243	210	395	679	693	880
	Total expenses	**63,323**	**79,190**	**84,740**	**2,09,843**	**2,22,419**	**2,96,393**
3	**Profit / (loss) before exceptional items and tax (1 - 2)**	**3,031**	**3,654**	**3,779**	**8,679**	**8,161**	**11,675**
4	Exceptional items, net (Refer Note 8)	(1,511)	3,716	-	1,821	(359)	(1,560)
5	**Profit / (loss) before tax (3 + 4)**	**1,520**	**7,370**	**3,779**	**10,500**	**7,802**	**10,115**
6	Income tax expense / (credit)						
	(a) Current tax	409	1,293	646	2,158	1,334	1,730
	(b) Current tax relating to earlier years	(3)	-	-	(3)	(192)	(243)
	(c) Deferred tax charge / (credit)	9	654	25	(132)	52	67
	Total tax expense / (credit)	**415**	**1,947**	**671**	**2,023**	**1,194**	**1,554**
7	**Profit / (loss) for the period (5 - 6)**	**1,105**	**5,423**	**3,108**	**8,477**	**6,608**	**8,561**
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	-	-	110	-	110	165
	(ii) Income tax credit / (charge) relating to above	-	-	(28)	-	(28)	(41)
	Total other comprehensive income, net of income tax	**-**	**-**	**82**	**-**	**82**	**124**
9	**Total Comprehensive Income (7 + 8)**	**1,105**	**5,423**	**3,190**	**8,477**	**6,690**	**8,685**
10	**Paid up Equity Share Capital (Face value of INR 2/- each)**	1,455	1,455	1,455	1,455	1,455	1,455
11	**Other Equity**						
12	**Earnings/ (loss) per share of INR 2/- each:**						
	Basic and Diluted (in INR)	**1.52**	**7.46**	**4.27**	**11.65**	**9.09**	**11.77**

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Unaudited Consolidated Statement of Financial Results for the quarter and nine months ended December 31, 2022

(INR in Millions except for earnings per share data)

		3 months ended December 31, 2022	3 months ended September 30, 2022	3 months ended December 31, 2021	9 months ended December 31, 2022	9 months ended December 31, 2021	Previous year ended March 31, 2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Income**						
	(a) Revenue from operations	66,098	82,827	89,172	2,20,238	2,32,945	3,10,618
	(b) Other income	213	76	1	551	117	355
	Total income	**66,311**	**82,903**	**89,173**	**2,20,789**	**2,33,062**	**3,10,973**
2	**Expenses:**						
	(a) Cost of materials consumed	14,097	17,585	13,570	45,725	36,743	47,969
	(b) Purchase of stock-in-trade	808	687	2,412	3,873	4,049	5,773
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,531	(643)	180	(2,580)	(2,007)	(827)
	(d) Excise duty	38,311	53,717	59,698	1,39,150	1,61,178	2,13,494
	(e) Employee benefits expense	1,610	1,526	1,481	4,859	5,107	6,531
	(f) Depreciation, amortisation and impairment expense	647	659	758	2,137	2,264	3,038
	(g) Others:						
	(i) Advertisement and sales promotion	2,790	1,600	3,000	5,798	5,617	6,949
	(ii) Loss allowance on trade receivables and other financial assets (net)	(34)	56	(312)	18	(58)	(129)
	(iii) Other expenses	3,267	3,926	3,956	11,581	10,553	14,777
	(h) Finance costs	244	210	392	679	715	880
	Total expenses	**63,271**	**79,323**	**85,135**	**2,11,240**	**2,24,161**	**2,98,455**
3	**Profit / (loss) before share of net profit / (loss) in associates, exceptional items and tax (1-2)**	**3,040**	**3,580**	**4,038**	**9,549**	**8,901**	**12,518**
4	Share of net profit / (loss) in associates	(2)	(5)	-	(10)	-	-
5	**Profit / (loss) before exceptional items and tax (3+4)**	**3,038**	**3,575**	**4,038**	**9,539**	**8,901**	**12,518**
6	Exceptional items, net (Refer Note 8)	(1,487)	3,815	-	1,944	(448)	(1,652)
7	**Profit / (loss) before tax (5 + 6)**	**1,551**	**7,390**	**4,038**	**11,483**	**8,453**	**10,866**
8	Income tax expense / (credit)						
	(a) Current tax	392	1,251	1,040	2,158	2,035	2,593
	(b) Current tax relating to earlier years	(872)	(11)	-	(865)	(192)	(247)
	(c) Deferred tax charge / (credit)	(111)	673	45	(40)	290	414
	Total tax expense / (credit)	**(591)**	**1,913**	**1,085**	**1,253**	**2,133**	**2,760**
9	**Profit / (loss) for the period (7-8)**	**2,142**	**5,477**	**2,953**	**10,230**	**6,320**	**8,106**
10	Other Comprehensive Income						
	A. Items that will be reclassified to profit or loss						
	(i) Exchange differences on translation of foreign operations	58	(10)	(2)	45	(12)	1
	B. Items that will not be reclassified to profit or loss						
	(i) Remeasurements of post-employment benefit plans	-	-	110	-	110	164
	(ii) Income tax credit / (charge) relating to above	-	-	(28)	-	(28)	(41)
	Total other comprehensive income, net of income tax	**58**	**(10)**	**80**	**45**	**70**	**124**
11	**Total Comprehensive Income (9+10)**	**2,200**	**5,467**	**3,033**	**10,275**	**6,390**	**8,230**
12	**Paid up Equity Share Capital (Face value of INR 2/- each)**	1,455	1,453	1,453	1,455	1,453	1,453
13	**Other Equity and Non controlling interest**						48,084
14(a)	**Profit/ (loss) attributable to:**						
	Owners	2,142	5,531	2,996	10,335	6,469	8,286
	Non-controlling interest		(54)	(43)	(105)	(149)	(180)
		2,142	**5,477**	**2,953**	**10,230**	**6,320**	**8,106**
14(b)	**Other comprehensive income attributable to:**						
	Owners	58	(10)	80	45	70	124
	Non-controlling interest	-	-	-	-	-	-
		58	**(10)**	**80**	**45**	**70**	**124**
14(c)	**Total comprehensive income attributable to: [14(a) + 14(b)]**						
	Owners	2,200	5,521	3,076	10,380	6,539	8,410
	Non controlling Interest	-	(54)	(43)	(105)	(149)	(180)
		2,200	**5,467**	**3,033**	**10,275**	**6,390**	**8,230**
15	**Earnings/ (loss) per share of INR 2/- each: [Refer Note below]**						
	Basic and Diluted (in INR)	3.02	7.80	4.22	14.55	9.12	11.68

Note:

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

United Spirits Limited

Notes to the Unaudited Standalone and Consolidated Statements of Financial Results for the quarter and nine months ended December 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") (amalgamated with the Company pursuant to order of the National Company Law Tribunal dated November 4, 2022)
- Royal Challengers Sports Private Limited
- Sovereign Distilleries Limited

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

Trusts controlled by the Company:
- USL Benefit Trust

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

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

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

Notes to the Standalone and Consolidated Statements of Financial Results for the quarter and nine months ended December 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 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 two overseas subsidiaries, 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.

Notes to the Standalone and Consolidated Statements of Financial Results for the quarter and nine months ended December 31, 2022 – Contd.

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

Consequent to the Rationalisation Process, the financial information of the following subsidiaries included in the consolidated financial results have been prepared on a liquidation basis (i.e. "break up" basis) i.e. (i) USL Holdings Limited, (ii) USL Holdings (UK) Limited, (iii) United Spirits (UK) Limited, (iv) United Spirits (Great Britain) Limited, (v) McDowell & Co. (Scotland) Limited, (vi) Shaw Wallace Overseas Limited (vii) United Spirits (Shanghai) Trading Company Limited (viii) Asian Opportunities and Investments Limited and (ix) United Spirits Singapore Pte Ltd (until the date of voluntary winding up). Accordingly, assets and liabilities of such subsidiaries have been recognised as current at their fair values that approximate to their carrying values as at December 31, 2022. Such remeasurement did not have any material impact on the consolidated financial results.

(c) Loan to United Breweries (Holdings) Limited ('UBHL')

As disclosed in each of the annual financial statements commencing from year ended March 31, 2015, the Company had pre-existing loans/ deposits/ advances/ accrued interest that were due to the Company and its subsidiaries from UBHL and its subsidiaries aggregating to INR 13,374 million and that were consolidated into, and recorded as, an unsecured loan through an agreement entered into between the Company and UBHL on July 3, 2013 ('Loan Agreement'). UBHL defaulted on its obligations to pay any amounts under the Loan Agreement. The Company has made provision in prior financial years for the entire principal amount due of INR 13,374 million, and for the accrued interest of INR 846 million up to March 31, 2014. The Company has not recognised interest income on said loan after March 31,2014 which cumulatively amounts to INR 10,780 million up to December 31, 2022. The Company has offset INR 2,062 million payable to UBHL arising under a trademark agreement against the principal amount of loan and interest accrued thereon receivable.

Since UBHL had defaulted on its obligations under the Loan Agreement, the Company sought redressal of disputes and claims through arbitration under the terms of the Loan Agreement. In April 2018, the arbitral tribunal passed a final award against the Company. The reasons for this adverse award were disputed by the Company, and the Company obtained leave from the High Court of Karnataka to challenge this arbitral award. In July 2018, the Company filed a petition challenging the said award before the Jurisdictional Court in Bangalore (the "Court"). The Court has issued notice pursuant thereto on the Official Liquidator and the hearing has commenced. Notwithstanding the arbitral award, based on management assessment supported by an external legal opinion, the Company has offset payable to UBHL under the trademark agreement against the balance of loan receivable from UBHL. The Company has filed its claim with the Official Liquidator. The Official Liquidator and the Company have exchanged certain correspondence during the nine months ended December 31, 2022 in relation to the claim filed and the set-off.

(d) Dispute with IDBI Bank Limited

As disclosed in each of the annual financial statements commencing from year ended March 31, 2015, during the year ended March 31, 2014, the Company prepaid a term loan taken from IDBI Bank Limited (the "bank") in earlier years which was secured by certain property, plant and equipment and brands of the Company as well as by a pledge of certain shares of the Company held by the USL Benefit Trust (of which the Company is the sole beneficiary). The bank disputed the prepayment, following which the Company filed a writ petition ("WP") in November 2013 before the Hon'ble High Court of Karnataka ('High Court') challenging the actions of the bank.

In February 2016, following the original maturity date of the loan, the Company received a notice from the bank seeking to recall the loan and demanding a sum of INR 459 million on account of outstanding principal, accrued interest and other amounts as also further interest till the settlement date as per the security documents. The Company challenged this notice in the pending writ proceedings during which the High Court directed that, subject to the Company depositing INR 459 million with the bank in a suspense account, the bank should not deal with any of the secured assets including the shares until disposal of the writ petition. The Company deposited the full amount, and the bank was restrained from dealing with any of the secured assets.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.

Notes to the Standalone and Consolidated Statements of Financial Results for the quarter and nine months ended December 31, 2022 – Contd.

The Company filed an appeal against this order before a division bench of the High Court, which was admitted and interim protection on the secured assets was reinstated. The writ appeal is pending.

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

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

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

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

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

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

There have been no developments with respect to this matter during the quarter and nine months ended December 31, 2022.

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

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

In accordance with the terms of the approved Scheme, the non-promoter shareholders of PDL were to receive 10 equity shares of the Company (face value of INR 2 each) for every 47 equity shares of PDL (face value of INR 10 each), held by them as on January 06, 2023 ('record date'). Allotment of 712,138 equity shares to the non-promoter shareholder of PDL was completed on January 13, 2023. Subsequent to the allotment, shareholding of Relay BV (the holding company, a subsidiary of Diageo plc) in the Company changes from 55.94% to 55.88%.

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

In giving effect to the amalgamation-

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

(b) Pursuant to the amalgamation, the Company has recorded a provision towards a water dispute matter which was hitherto recorded in the books of PDL. Prior to the approval of the scheme, PDL had filed a write petition before the High Court of Bombay against the order of Primary Dispute Resolution Officer, Maharashtra Water Resources Regulatory Authority (MWRRA) challenging multiple demands raised for increased water charges. PDL has deposited 44 million "under protest" as of December 2022 with MWRRA, including an amount of INR 30 million deposited as per High Court's directions, in lieu of an undertaking by MWRAA that it will not undertake any coercive action.
Based on an internal assessment and a legal opinion, Management believes that the Company is carrying adequate provision in the books for the probable rates of water charges applicable to the Company, any further cash outflow on account of this matter is considered as remote.

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

6. Further to the announcement on May 27, 2022, the Company, on September 30, 2022: (i) completed the slump sale of the entire business undertaking associated with 32 brands in the 'Popular' segment to Inbrew Beverages Private Limited ("Inbrew"); and (ii) given effect to the franchise of 11 other brands in the 'Popular' segment in favour of Inbrew for a period of five years, with an option for Inbrew, subject to certain conditions, (a) to convert the fixed term franchise arrangement into a franchise arrangement with perpetual right to use; and / or (b) to acquire such brands (collectively, the "Transaction").

In line with the terms of the slump sale agreement, all the assets and liabilities related to the business undertaking have been transferred to Inbrew for a consideration of INR 8,180 million (after certain pre-closure adjustments) and a profit on sale of the business undertaking amounting to INR 3,815 million (net-off costs attributable towards sale and accruals) is recognized as an 'exceptional item' in the standalone and consolidated financial results for the nine months ended December 31, 2022. As per the agreement, a portion of the consideration amounting to INR 614 million is held under an escrow arrangement which would be settled within a period of 12 months from the date of closure, upon satisfaction of certain specified conditions by the Company, failing which the amount forfeits. Accordingly, the company has determined the profit on sale by considering a part of the amount held in escrow and the balance will be recognized on satisfaction of the conditions.

7. Supply Agility Programme

The Board of Directors of the Company have approved a multi-year supply chain agility programme. The programme primarily is directed towards the optimization of the existing manufacturing footprint with an intent to strengthen its end-to-end supply chain and make it fit for the future. The total implementation cost of the supply chain agility programme, majority of which are expected to be recognized as exceptional operating items, will be recorded when the recognition criteria are satisfied.

Notes to the Standalone and Consolidated Statements of Financial Results for the quarter and nine months ended December 31, 2022 – Contd.

During the quarter, the Company has recognised a provision of INR 1,487 million under exceptional items, towards the impairment loss on property, plant and equipment covered under the programme by writing down their carrying amounts to net realizable values which includes provision on certain land holdings having regulatory risks (impaired based on independent valuation) and severance cost relating to a closed unit, in the standalone and consolidated statements of financial results. (Refer Note 8)

8. Exceptional items

Amount in INR Million

Sl. No	Description	Quarter ended December 31, 2022 Income / (Expense)		Nine months ended December 31, 2022 Income / (Expense)	
		Standalone	Consolidated	Standalone	Consolidated
1	Profit on sale of Business Undertaking (Refer note 6)	-	-	3,815	3,815
2	Impairment of investment/recoverable value in SDL*	(24)	-	(123)	-
3	Voluntary Separation Scheme **	-	-	(384)	(384)
4	Supply Restructuring Cost (Refer note 7)	(1,487)	(1,487)	(1,487)	(1,487)
	Total	**(1,511)**	**(1,487)**	**1,821**	**1,944**

* Management has determined the recoverable amount of the investment in and loan recoverable from SDL as on December 31, 2022 basis which an impairment charge of INR 123 million is recognised in the standalone financial results for the nine months ended December 31, 2022.

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

9. The Statement of Standalone and Consolidated Financial Results for the quarter and nine months ended December 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 January 24, 2023.

By authority of the Board

DIBYENDU MAJUMDER Digitally signed by DIBYENDU MAJUMDER Date: 2023.01.24 17:06:03 +05'30'

HINA NAGARAJAN Digitally signed by HINA NAGARAJAN Date: 2023.01.24 16:34:50 +05'30'

Place: Bengaluru
Date: January 24, 2023

Hina Nagarajan
Managing Director and Chief Executive Officer

Price Waterhouse & Co Chartered Accountants LLP

Review Report

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

1. We have reviewed the unaudited consolidated financial results of United Spirits Limited (hereinafter referred to as the "Holding Company"), its subsidiaries and a trust controlled by it (together referred to as the "Group") and its associate company (refer Note 2 Unaudited Consolidated Financial Results) for the quarter and nine months ended December 31, 2022 which are included in the accompanying 'Unaudited Consolidated Statement of Financial Results for the quarter and nine months ended December 31, 2022', together with the notes thereon (the "Consolidated Financial Results"). The Consolidated Financial Results is being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015").

2. This Consolidated Financial Results, which is the responsibility of the Holding Company's Management and has been approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Consolidated Financial Results based on our review.

3. We conducted our review of the Consolidated Financial Results in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Consolidated Financial Results is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, 2015, to the extent applicable.

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

   Indian subsidiaries:

   - Royal Challengers Sports Private Limited
   - Sovereign Distilleries Limited

Overseas subsidiaries:

- Asian Opportunities and Investments Limited
- McDowell & Co. (Scotland) Limited
- Palmer Investment Group Limited
- Shaw Wallace Overseas Limited
- United Spirits (Great Britain) Limited
- United Spirits (Shanghai) Trading Company Limited
- United Spirits Singapore Pte Ltd (ceased to be a subsidiary w.e.f. November 4, 2022)
- United Spirits (UK) Limited
- USL Holdings Limited
- USL Holdings (UK) Limited

Trust controlled by the Company

- USL Benefit Trust

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

- Nao Spirits & Beverages Private Limited (with effect from April 29, 2022)

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

7. We draw your attention to the following matters:

   a. As explained in Note 4(a) to the Consolidated Financial Results regarding the uncertainties post completion of the Initial Inquiry which identified references to certain Additional Parties and certain Additional Matters, the then MD & CEO of the Holding Company, pursuant to the direction of the Board of Directors of the Holding Company, had carried out an Additional Inquiry that revealed transactions indicating actual and potential diversion of funds from the Holding Company and its Indian and overseas subsidiaries to, in most cases, Indian and overseas entities that appear to be affiliated or associated with the Holding Company's erstwhile non-executive Chairman and other potentially improper transactions.
   Post completion of Additional Inquiry certain regulatory notices and communications were received from Securities and Exchange Board of India, Directorate of Enforcement and Authorised Dealer banks to which the Holding Company has responded. Subsequently, the Holding Company commenced the rationalisation process for divestment/ liquidation/ merger of certain overseas subsidiaries including step down subsidiaries and completion of the above rationalisation process is subject to regulatory approvals in India and overseas.

   The Holding Company filed suits for recovery of certain amounts against relevant parties and individuals identified in the Additional Inquiry including excess managerial remuneration paid to the former Executive Director and CFO which have been fully provided for or recognised as expense in prior years. The management is currently unable to estimate the financial impact on the Holding Company, if any, arising out of potential non compliances with applicable laws as above.

Price Waterhouse & Co Chartered Accountants LLPIN AAC-4362 FRN 304026E/E300009 Bengaluru

b. As explained in Note 4(d) to the Consolidated Financial Results, which describes the uncertainty relating to the final outcome of litigations with a bank ("the bank") that continues to retain the pledge of certain assets of the Holding Company and of the Holding Company's shares held by USL Benefit Trust (of which the Holding Company is the sole beneficiary) despite the Holding Company prepaying the term loan to that bank along with the prepayment penalty and further depositing an additional sum of INR 459 million demanded by the bank and as directed by the High Court of Karnataka (the "Court"). Based on management assessment supported by external legal opinions, the Holding Company has disclosed the aforesaid amount of INR 459 million under Other Non-current financial assets as recoverable from the bank pending the final outcome of the litigation. In a separate proceeding before the Debt Recovery Appellate Tribunal, the bank's appeal against the judgement awarded by Debt Recovery Tribunal in favour of the Holding Company in respect of attachment of the aforesaid pledged shares for recovery of the loans advanced by the bank to Kingfisher Airlines Limited is pending disposal.

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

8. The Consolidated Financial Results includes the financial results of 10 subsidiaries and a trust controlled by the Group which have not been reviewed by their auditors, whose financial information reflect total revenue of Nil and Nil, total net loss after tax of INR 1 million and INR 7 million and total comprehensive income of INR 1 million and INR 7 million for the quarter and nine months ended December 31, 2022, respectively. The Consolidated Financial Results also includes the Group's share of net loss after tax of INR 2 million and INR 10 million and total comprehensive loss of INR 2 million and INR 10 million for the quarter and nine months ended December 31, 2022, respectively, in respect of an associate company, based on financial information which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, the financial information of the aforesaid subsidiaries, trust and the associate company are not material to the Group.

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

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

DIBYENDU MAJUMDER Digitally signed by DIBYENDU MAJUMDER Date: 2023.01.24 17:03:38 +05'30'

Dibyendu Majumder
Partner
Membership Number: 057687
UDIN: 23057687BGVFZL8702

Date: January 24, 2023
Place: Bengaluru

Price Waterhouse & Co Chartered Accountants LLP

Review Report

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

1. We have reviewed the unaudited financial results of United Spirits Limited (the "Company") for the quarter and nine months ended December 31, 2022, which are included in the accompanying 'Unaudited Standalone Statement of Financial Results for the quarter and nine months ended December 31, 2022', together with the notes thereon (the "Standalone Financial Results"). The Standalone Financial Results has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015").

2. This Standalone Financial Results, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Standalone Financial Results based on our review.

3. We conducted our review of the Standalone Financial Results in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Standalone Financial Results has not been prepared in all material respects in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
FRN 304026E/E300009
Bengaluru

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

5. We draw your attention to the following matters:

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

b) As explained in Note 4(d) to the Standalone Financial Results, which describes the uncertainty relating to the final outcome of litigations with a bank ("the bank") that continues to retain the pledge of certain assets of the Company and of the Company's shares held by USL Benefit Trust (of which the Company is the sole beneficiary) despite the Company prepaying the term loan to that bank along with the prepayment penalty and further depositing an additional sum of INR 459 million demanded by the bank and as directed by the Hon'ble High Court of Karnataka (the "Court"). Based on management assessment supported by external legal opinions, the Company has disclosed the aforesaid amount of INR 459 million under Other non-current financial assets as recoverable from the bank pending the final outcome of the litigation. In a separate proceeding before the Debt Recovery Appellate Tribunal, the bank's appeal against the judgement awarded by Debt Recovery Tribunal in favour of the Company in respect of attachment of the aforesaid pledged shares for recovery of the loans advanced by the bank to Kingfisher Airlines Limited is pending disposal.

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

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
FRN 304026E/E300009
Bengaluru

d) As explained in Note 5 to the Standalone Financial Results, the scheme for amalgamation of Pioneer Distilleries Limited with the Company was approved by the National Company Law Tribunal on November 4, 2022 with an appointed date of April 1, 2021. The Company has accounted for the amalgamation as per the accounting treatment specified in the scheme in accordance with Appendix C to Ind AS 103, *Business Combinations of entities under common control*, and, accordingly, the comparative balances for all the prior periods presented in the Standalone Financial Results have been restated.

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

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

DIBYENDU MAJUMDER
Digitally signed by DIBYENDU MAJUMDER
Date: 2023.01.24 17:02:41 +05'30'

Dibyendu Majumder
Partner
Membership Number: 057687
UDIN: 23057687BGVFZK4284

Date: January 24, 2023
Place: Bengaluru

DIAGEO
INDIA

UNITED SPIRITS LIMITED

PRESS RELEASE

Unaudited financial results for the quarter and nine months ended 31 December 2022

(Standalone Only)

Bengaluru, India - January 24, 2023: United Spirits Ltd., India's leading beverage alcohol company, reported its unaudited standalone results for the third quarter and nine months ended 31 December 2022.

Key Highlights for the quarter:

- Reported net sales value (NSV) at INR 2,781 Cr, with P&A saliency of 86%
- Like for Like (LFL) NSV grew 9.7% with P&A NSV growth of 11.7%
- Reported EBITDA at INR368 Cr. with EBITDA margin of 13.2%

Ms. Hina Nagarajan, Managing Director & CEO, commenting on the Q3FY23 performance, said:

"*We delivered a good quarter in an extremely volatile environment carefully navigating through Route to Market changes & input commodity cost inflation. This is the first quarter post the slump sale and franchising of the strategically reviewed popular portfolio. During the quarter, we have completed the merger of Pioneer Distilleries Limited to progress towards a simplified legal entity footprint.*

I am also happy to announce that the Board of Directors have approved a multi-year supply chain agility programme. The programme is expected to strengthen our end-to-end supply chain thereby making it fit for the future. This is in addition to our everyday efficiency savings as we continue to build a more agile and sustainable business.

Looking ahead, in the shorter term, we do expect inflationary headwinds to continue. However, we remain optimistic about the medium to longer term business prospects & our ability to harness growth opportunities with sharpened focus and our reshaped portfolio. We remain confident in our strategy to create an organization of the future and thereby deliver value to all our stakeholders in a sustainable and consistent manner."

(The scheme for the Pioneer Distilleries Limited merger came into operation on 30th December 2022 but is effective 1st April'2021. All current & previous period comparators include the impact of the merger. All accounts referred as 'Rebased' are Reinstated for PDL merger as well as adjusted for slump sale and franchising of the strategically reviewed popular portfolio for a like for like comparison.)

Q3FY23 performance highlights:

- Rebased NSV increased 9.7% & underlying NSV grew 11.5% (excluding the one-off Bulk Scotch sale impact from prior year comparator) reflecting another good quarter driven by off-trade momentum & continued recovery of the On-trade.
- Prestige & Above segment net sales grew 11.7% with strong double-digit growth in our scotch portfolio.
- Rebased net sales for popular segment grew 2.3%.
- Gross margin at 40.6%, down 438bps versus last year, driven by input cost inflation both for Glass & ENA partly offset by superior mix and productivity.
- A&P re-investment rate was 10.0% of sales. We continue to invest in our brands & are focussed on improving consumer penetration and engagement.
- EBITDA at INR368 Cr., with reported EBITDA margin at 13.2% is down 332bps, primarily driven by inflation led gross margin contraction partly off-set by targeted A&P calibration.
- Exceptional charge of INR 151 Cr. is primarily on account of the supply agility program.
- Interest costs of INR24 Cr. is on account of the customary non-debt related items and partially related to the debt of the merged entity.
- Profit after tax was INR111 Cr. with net profit margin at 4.0% on account of the exceptional charge in the quarter

9MFY23 performance highlights:

- Rebased net sales registered a growth of 20.9% on the back of strong premiumisation trend, continued momentum in off-trade, on premise recovery, sustained home consumption trends and favourable prior year comparatives Within the above, Prestige & Above segment grew 22.7%.
- Rebased net sales for Popular segment grew 2.3%.
- Gross margin at 41.0%, down 453 bps versus last year, weighed down by glass & ENA inflation, partly offset by favourable mix and productivity.
- Rebased EBITDA was INR 967 Cr., up 8.4%. EBITDA margin at 13.5% is down 156 bps, primarily due to gross margin contraction.
- Reported interest cost at INR68 Cr. is down 25% after excluding the one-off reversal benefit from the previous year comparator. Interest is on account of the customary non-debt related items and partially related to the debt of the merged entity.

KEY FINANCIAL INFORMATION

(The scheme for the Pioneer Distilleries Limited merger came into operation on 30th December 2022 but is effective 1st April'2021. All current & previous period comparators include the impact of the merger. All accounts referred as 'Rebased' are Reinstated for PDL merger as well as adjusted for slump sale and franchising of the strategically reviewed popular portfolio for a like for like comparison.)

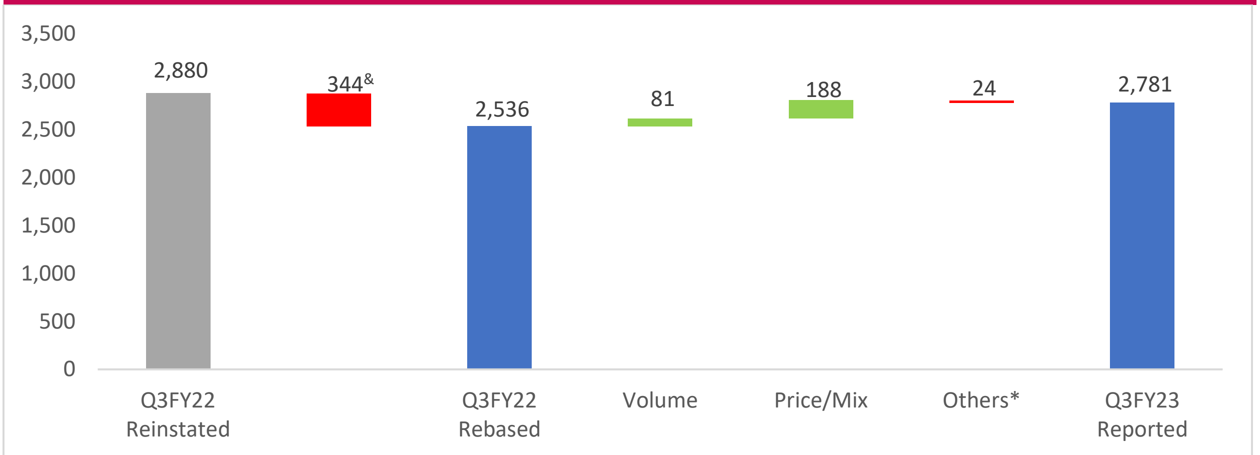
In compliance with Schedule III of the Companies Act, 2013, the company has reported revenue from operations inclusive of excise duty.

Summary Financial Information *(Rebased)* For the quarter & nine months ended 31 December 2022				
All figures in INR Crores unless mentioned otherwise	**Q3FY23**	Q3FY22	**9MFY23**	9MFY22
Volume ('000 cases)	**16,624**	**16,110**	**45,244**	**40,853**
Net sales	**2,781**	**2,536**	**7,183**	**5,940**
COGS	(1,653)	(1,396)	(4,238)	(3,234)
Gross profit	**1,128**	**1,140**	**2,945**	**2,706**
Staff cost	(161)	(142)	(473)	(492)
Marketing spends	(277)	(295)	(575)	(555)
Other Overheads	(323)	(283)	(932)	(767)
Reported EBITDA	**368**	**420**	**967**	**892**
Other Income	23	2	57	17
Depreciation	(64)	(69)	(193)	(198)
EBIT	**327**	**352**	**831**	**711**
Interest	(24)	(40)	(68)	(69)
PBT before exceptional items	**303**	**313**	**763**	**642**
Exceptional income#	-	-	381	9
Exceptional Charge*	(151)	-	(199)	(45)
PBT	**152**	**313**	**945**	**606**

 # Exceptional income of INR381 Cr. in 9MFY23 is the gain from the slump sale of strategically reviewed popular portfolio.
** Exceptional charges of INR199 Cr in 9MF23 primarily consists of INR149 Cr. charge related to supply agility program in Q3FY23, legal entity closure expenses as well as other ongoing business restructuring expenses.*

Key performance indicators as a % of net sales *(Rebased)*				
	Q3FY23	Q3FY22	**9MFY23**	9MFY22
Gross profit margin (%)	**40.6**	44.9	**41.0**	45.6
Staff cost (%)	**(5.8)**	(5.6)	**(6.6)**	(8.3)
Marketing spends (%)	**(10.0)**	(11.6)	**(8.0)**	(9.3)
Other Overheads (%)	**(11.6)**	(11.2)	**(13.0)**	(12.9)
Rebased EBITDA margin (%)	**13.2**	16.5	**13.5**	15.0

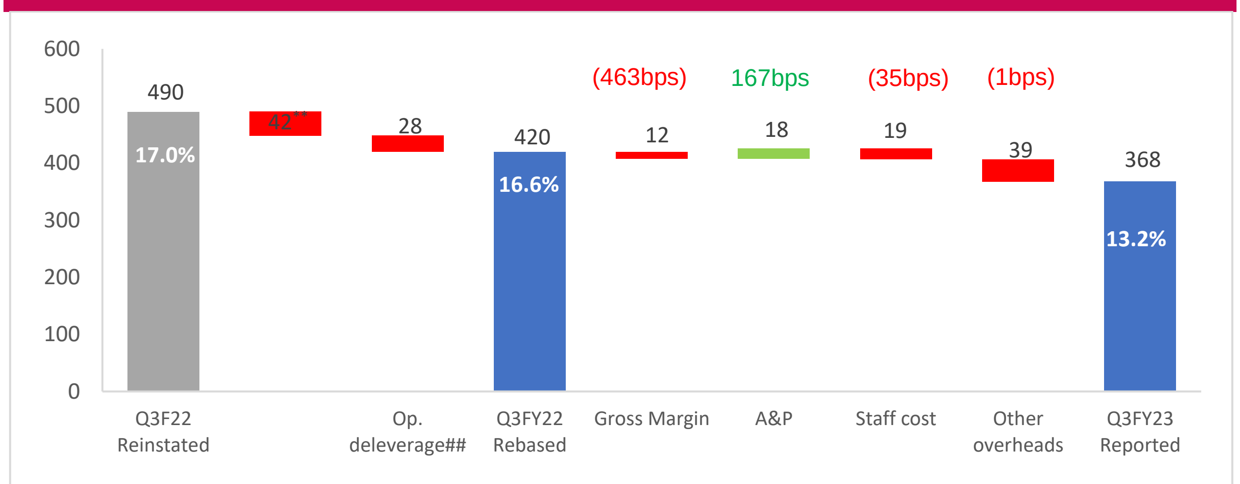
Net sales bridge for the Quarter (INR Crores)



&Net sales of the strategically reviewed and sold popular portfolio

*Others primarily include non IMFL sale

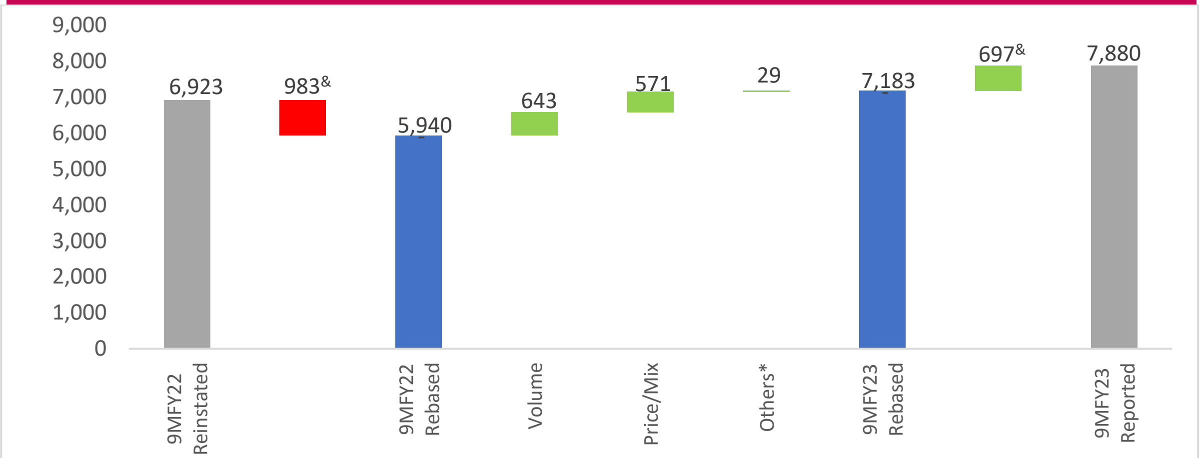
EBITDA bridge for the Quarter (INR Crores, %, bps)



***EBITDA of the strategically reviewed and sold popular portfolio*

##Operating deleverage on account of the slump sale and franchising of the strategically reviewed popular portolio

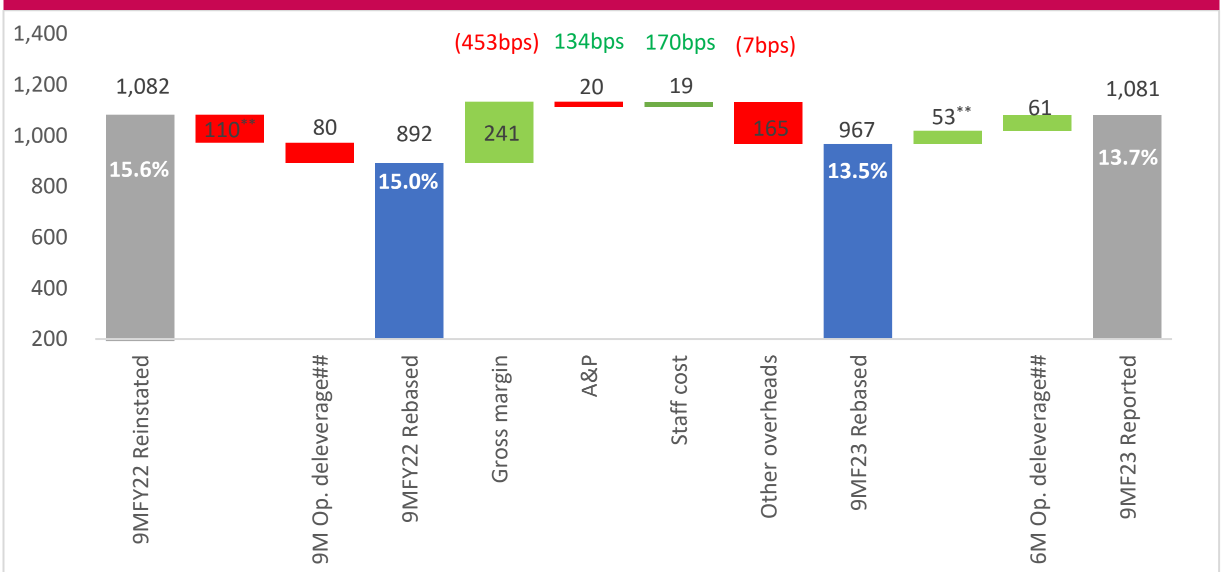
Net sales bridge for 9M (INR Crores)



&Net sales of the strategically reviewed and sold popular portfolio

*Includes impact of one-off sale of bulk Scotch amounting to INR40Cr. in Q3FY22

EBITDA bridge for 9M (INR Crores, %, bps)



**EBITDA of the strategically reviewed and sold popular portfolio

##Operating deleverage on account of the slump sale and franchising of the strategically reviewed popular portolio

BUSINESS SEGMENT REVIEW

(The scheme for the Pioneer Distilleries Limited merger came into operation on 30th December 2022 but is effective 1st April'2021.All current & previous period comparators include the impact of the merger. All accounts referred as 'Rebased' are Reinstated for PDL merger as well as adjusted for slump sale and franchising of the strategically reviewed popular portfolio for a like for like comparison.)

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

For the quarter and nine months ended 31 December 2022

For the quarter ended 31 December 2022

	Volume				Net Sales			
Segment	**Q3FY23 Rebased *'000 cs***	Q3FY22 Rebased *'000 cs*	Rebased movement %	**Underlying movement %**	**Q3FY23 Rebased *INR Cr.***	Q3FY22 Rebased *INR Cr.*	Rebased movement %	**Underlying movement %**
P&A	**12,735**	**12,344**	3.2	**3.2**	**2,378**	2,128	11.7	**11.7**
Popular	**3,889**	**3,766**	3.3	**3.3**	**343**	336	2.3	**2.3**
Other					**60**	72	-16.8	**-88.6**
TOTAL	**16,624**	**16,110**	3.2	**3.2**	**2,781**	2,536	9.7	**11.4**

For the nine months ended 31 December 2022

	Volume				Net Sales			
Segment	**9MFY23 Rebased *'000 cs***	9MFY22 Rebased *'000 cs*	Rebased Movement %	**Underlying movement %**	**9MFY23 Rebased *INR Cr.***	9MFY22 Rebased *INR Cr.*	Rebased Movement %	**Underlying movement %**
P&A	**35,658**	31,725	12.4	**12.4**	**6,183**	5,039	22.7	**22.7**
Popular	**9,586**	9,129	5.0	**5.0**	**840**	821	2.3	**2.3**
Other					**159**	80	99.6	**299.7**
TOTAL	**45,244**	40,853	10.7	**10.7**	**7,183**	5,940	20.9	**21.8**

- The **Prestige & Above segment** accounted for 86.1% of net sales during the first nine months of the year, up 1.3ppt compared to same period last year. Prestige & Above segment net sales increased 22.7% during the first nine months of the year.

- The **Popular segment** accounted for 11.7% of net sales during the first nine months of the year, down 2.1ppt compared to same period last year. The Popular segment net sales grew 2.3% during the first nine months of the year.

KEY FINANCIAL INFORMATION

(The scheme for the Pioneer Distilleries Limited merger came into operation on 30th December 2022 but is effective 1st April'2021. All current & previous period comparators include the impact of the merger. All accounts referred as 'Rebased' are Reinstated for PDL merger as well as adjusted for slump sale and franchising of the strategically reviewed popular portfolio for a like for like comparison.)

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

Summary Financial Information *(Reported)*

For the quarter and nine months ended 31 December 2022

All figures in INR Crores unless mentioned otherwise	**Q3FY23**	Q3FY22	**9MFY23**	9MFY22
Volume ('000 cases)	**16,624**	**22,140**	**57,415**	**58,418**
Net sales	**2,781**	**2,880**	**7,880**	**6,923**
COGS	(1,653)	(1,616)	(4,710)	(3,871)
Gross profit	**1,128**	**1,264**	**3,170**	**3,052**
Staff cost	(161)	(148)	(485)	(510)
Marketing spends	(277)	(296)	(576)	(558)
Other Overheads	(323)	(330)	(1029)	(903)
Reported EBITDA	**368**	**490**	**1,081**	**1,082**
Other Income	23	2	57	17
Depreciation	(64)	(75)	(202)	(214)
EBIT	**327**	**417**	**936**	**885**
Interest	(24)	(40)	(68)	(69)
PBT before exceptional items	**303**	**378**	**868**	**816**
Exceptional items	(151)	-	182	(36)
PBT	**152**	**378**	**1,050**	**780**
Tax	(42)	(67)	(202)	(119)
PAT	**111**	**311**	**848**	**661**

Key performance indicators as a % of net sales (Reported)

	Q3FY23	Q3FY22	**9MFY23**	9MFY22
Gross profit margin (%)	40.6	**43.9**	**40.2**	44.1
Staff cost (%)	(5.8)	**(5.1)**	**(6.2)**	(7.4)
Marketing spends (%)	(10.0)	**(10.3)**	**(7.3)**	(8.1)
Other Overheads (%)	(11.6)	**(11.5)**	**(13.1)**	(13.0)
Reported EBITDA Margin (%)	13.2	**17.0**	**13.7**	15.6
PAT margin (%)	4.0	**10.8**	**10.8**	9.5
Basic earnings per share (INR)	1.5	**4.3**	**11.7**	9.1

BUSINESS SEGMENT REVIEW

(The scheme for the Pioneer Distilleries Limited merger came into operation on 30th December 2022 but is effective 1st April'2021. All current & previous period comparators include the impact of the merger. All accounts referred as 'Rebased' are Reinstated for PDL merger as well as adjusted for slump sale and franchising of the strategically reviewed popular portfolio for a like for like comparison.)

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

For the quarter and nine months ended 31 December 2022

For the quarter ended 31 December 2022				
Segment	**Volume**		**Net Sales**	
	Q3FY23 Reported *'000 cs*	Q3FY22 Reinstated *'000 cs*	**Q3FY23 Reported *INR Cr.***	Q3FY22 Reinstated *INR Cr.*
P&A	**12,735**	12,347	**2,378**	2,128
Popular	**3,889**	9,794	**343**	676
Other			**60**	75
TOTAL	**16,624**	22,140	**2,781**	2,880

Key segments *(Reported)*				
For the nine months ended 31 December 2022				
Segment	**Volume**		**Net Sales**	
	9MFY23 Reported *'000 cs*	9MFY22 Reinstated *'000 cs*	**9MFY23 Reported *INR Cr.***	9MFY22 Reinstated *INR Cr.*
P&A	**35,659**	31,732	**6,183**	5,039
Popular	**21,756**	26,685	**1,537**	1,793
Other			**159**	91
TOTAL	**57,415**	58,418	**7,880**	6,923

Q&A CONFERENCE CALL

Hina Nagarajan, Managing Director and Chief Executive Officer and Pradeep Jain, Chief Financial Officer will be hosting a Q&A conference call on **Wednesday, 25th January 2022** at **4:00 pm IST**. If you would like to listen to the call or ask a question, please use the dial in detail below.

Conference Joining Information

Option 1

Express Join with Diamond*Pass*™ No Wait Time
https://services.choruscall.in/DiamondPassRegistration/register?confirmationNumber=3754564&linkSecurityString=1244c08308

Option

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.

Universal Dialin	+91 22 6280 1250 +91 22 7115 8151
International Toll Free	
Argentina	0080014243444
Australia	1800053698
Belgium	0080014243444
Canada	01180014243444
China	4008428405
France	0800914745
Germany	0080014243444
Hong Kong	800964448
Italy	0080014243444
Japan	00531161110
Netherlands	08000229808
Poland	008001124248
Singapore	8001012045
South Korea	00180014243444
Sweden	0080014243444
Thailand	00180014243444
UK	08081011573
USA	18667462133

About Diageo India

Diageo India is the country's leading beverage alcohol company and a subsidiary of global leader Diageo Plc. The company manufactures, sells and distributes an outstanding portfolio of premium brands such as Johnnie Walker, Black Dog, Black & White, VAT 69, Antiquity, Signature, The Singleton, Royal Challenge, McDowell's No1, Smirnoff, Ketel One, Tanqueray, Captain Morgan and Godawan, an artisanal single malt whisky from India. Headquartered in Bengaluru, our wide footprint is supported by a committed team of over 3000 employees, 39 manufacturing facilities across states and union territories in India, a strong distribution network and a state-of-the-art Technical Centre. Incorporated in India as United Spirits Limited (USL), the company is listed on both the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. For more information about Diageo India, our people, our brands, and our performance, visit us at www.diageoindia.com. Visit Diageo's global responsible drinking resource, http://www.DRINKiQ.com, for information, initiatives, and ways to share best practices.

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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.

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