DIAGEO
INDIA

United Spirits Limited

Registered Office:
UB Tower
#24, Vittal Mallya Road,
Bengaluru 560 001

Tel: +91 80 2221 0705
Fax: +91 80 2224 5253
www.diageoindia.com

23rd October 2024

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: UNITDSPR

Dear Sirs,

Sub: Intimation of unaudited financial results for the quarter and half year ended 30th September 2024 pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors of the Company at their meeting held today has *inter-alia* approved the unaudited financial results (Standalone and Consolidated) for the quarter and half year ended 30th September 2024. The same is enclosed.

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

The meeting commenced at 14:15 hours IST and concluded at 17:45 hours IST. Also note that the aforesaid information will be available on our website www.diageoindia.com.

This is for your information and records.

Thank you,

For United Spirits Limited

MITAL ARVIND SANGHVI
Digitally signed by MITAL ARVIND SANGHVI
Date: 2024.10.23 17:53:50 +05'30'

Mital Sanghvi
Company Secretary

Encl: as above

UNITED SPIRITS LIMITED

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Unaudited Standalone Statement of Financial Results for the quarter and six months ended September 30, 2024

(₹ in Crores except for earnings per share data)

	Particulars	Quarter ended			Half year ended		Year ended
		September 30, 2024 (Unaudited)	June 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)	March 31, 2024 (Audited)
1	**Income**						
	(a) Revenue from operations	6,671	5,829	6,733	12,500	12,046	25,389
	(b) Other income	34	32	39	66	60	335
	Total income	**6,705**	**5,861**	**6,772**	**12,566**	**12,106**	**25,724**
2	**Expenses**						
	(a) Cost of materials consumed	1,460	1,088	1,527	2,548	2,587	5,254
	(b) Purchase of stock-in-trade	195	141	235	336	300	675
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(97)	77	(141)	(20)	(41)	119
	(d) Excise duty	3,828	3,477	3,868	7,305	7,009	14,697
	(e) Employee benefits expense	162	133	143	295	268	543
	(f) Depreciation and amortisation expense	69	65	65	134	130	264
	(g) Others:						
	(i) Advertisement and sales promotion	257	175	240	432	387	1,041
	(ii) Other expenses	359	280	391	639	681	1,352
	(h) Finance costs	25	22	27	47	31	76
	Total expenses	**6,258**	**5,458**	**6,355**	**11,716**	**11,352**	**24,021**
3	**Profit before exceptional items and tax (1 - 2)**	**447**	**403**	**417**	**850**	**754**	**1,703**
4	Exceptional items, net	-	-	31	-	14	(17)
5	**Profit before tax (3 + 4)**	**447**	**403**	**448**	**850**	**768**	**1,686**
6	**Income tax expense**						
	(a) Current tax	104	106	98	210	182	403
	(b) Current tax relating to earlier years	-	-	-	-	-	(10)
	(c) Deferred tax charge / (credit)	8	(2)	9	6	6	(19)
	Total tax expense	**112**	**104**	**107**	**216**	**188**	**374**
7	**Profit for the period (5 - 6)**	**335**	**299**	**341**	**634**	**580**	**1,312**
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	-	-	(7)	-	(7)	(3)
	(ii) Income tax credit relating to above	-	-	2	-	2	1
	Total other comprehensive income, net of income tax	**-**	**-**	**(5)**	**-**	**(5)**	**(2)**
9	**Total comprehensive income (7 + 8)**	**335**	**299**	**336**	**634**	**575**	**1,310**
10	**Paid up equity share capital (Face value of ₹ 2/- each)**	145	145	145	145	145	145
11	**Other equity**						6,818
12	**Earnings per share of ₹ 2/- each**						
	Basic and Diluted (in ₹)	4.61	4.11	4.69	8.72	7.97	18.04

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Unaudited Standalone Statement of assets and liabilities as at September 30, 2024

(₹ in Crores)

Particulars	As at September 30, 2024	As at March 31, 2024
	Unaudited	Audited
ASSETS		
Non-current assets		
Property, plant and equipment	827	844
Right-of-use assets	496	227
Capital work-in-progress	66	37
Intangible assets	28	35
Intangible assets under development	1	-
Investment property	138	139
Financial assets		
Investments in subsidiaries and joint ventures	234	224
Trade receivables	365	365
Loans	-	-
Other financial assets	112	112
Deferred tax assets (net)	172	177
Current tax assets (net)	1,029	1,348
Other non-current assets	230	216
Total non-current assets	**3,698**	**3,724**
Current assets		
Inventories	2,237	2,063
Financial assets		
Investments	619	599
Trade receivables	3,395	2,763
Cash and cash equivalents	649	1,021
Bank balances other than cash and cash equivalents	473	188
Loans	6	10
Other financial assets	44	40
Other current assets	257	334
Total current assets	**7,680**	**7,018**
Total assets	**11,378**	**10,742**
EQUITY AND LIABILITIES		
EQUITY		
Share capital	145	145
Other equity		
Reserves and surplus	7,102	6,818
Total equity	**7,247**	**6,963**
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Lease liabilities	378	137
Provisions	25	15
Total non-current liabilities	**403**	**152**
Current liabilities		
Financial liabilities		
Borrowings	-	0
Lease liabilities	140	103
Trade payables		
(A) total outstanding dues of micro and small enterprises	83	69
(B) total outstanding dues of creditors other than micro and small enterprises	1,757	1,758
Other financial liabilities	137	204
Provisions	360	367
Current tax liabilities (net)	315	324
Other current liabilities	936	802
Total current liabilities	**3,728**	**3,627**
Total liabilities	**4,131**	**3,779**
Total equity and liabilities	**11,378**	**10,742**

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Unaudited Standalone Statement of Cash flows for the six months ended September 30, 2024

(₹ in Crores)

Particulars	Six months ended September 30, 2024	Six months ended September 30, 2023
	Unaudited	
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**850**	**768**
Adjustments for		
Depreciation and amortisation expense	134	130
Employee share-based payment expense	15	19
Loss allowance on trade receivables, other assets and other financial assets (net)	(6)	27
Profit on redemption of mutual fund investments	(39)	(18)
(Increase)/ decrease in fair value of investments	4	(3)
Finance costs	47	31
(Gain) / loss on disposal of property, plant and equipment (net)	1	(8)
Interest income on term deposits with banks	(23)	(24)
Exceptional items	-	(14)
Exchange gain (net) on translation of assets and liabilities	1	3
Operating profit before changes in working capital	**984**	**911**
(Increase) / decrease in trade receivables	(640)	(227)
(Increase) / decrease in loans and other financials assets	4	35
(Increase) / decrease in other assets	82	(16)
(Increase) / decrease in inventories	(174)	(309)
Increase / (decrease) in trade payables	(7)	110
Increase / (decrease) in other financial liabilities	(62)	(61)
Increase / (decrease) in other liabilities	134	331
Increase / (decrease) in provisions	(15)	(52)
Cash generated from operations	**306**	**722**
Income taxes (payment) / refunds received	91	(152)
Net cash generated from operating activities (A)	**397**	**570**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(86)	(63)
Proceeds from sale of property, plant and equipment and investment property	1	13
Purchase of current investments	(368)	(9,716)
Redemption of current investments	383	9,220
Investment in term deposits with banks	(675)	-
Redemption of term deposits from banks	395	-
Investment in joint ventures	(13)	(15)
Loans given to subsidiaries	-	(29)
Repayment of loans by subsidiaries	-	121
Repayment of loans given to others	3	3
Interest received	21	32
Net cash outflow from investing activities (B)	**(339)**	**(434)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of deferred sales tax liability	(0)	(1)
Dividend paid (net)	(350)	-
Principal repayment of lease liabilities	(62)	(65)
Interest paid on lease liabilities	(18)	(9)
Net cash outflow from financing activities (C)	**(430)**	**(75)**
Net increase / (decrease) in cash and cash equivalents [D = A+B+C]	**(372)**	**61**
Cash and cash equivalents as at the beginning of the year (E)	1,021	81
Net increase / (decrease) in cash and cash equivalents	(372)	61
Cash and cash equivalents as at the end of the period [D+E]	**649**	**142**

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Unaudited Consolidated Statement of Financial Results for the quarter and six months ended September 30, 2024

(₹ in Crores except for earnings per share data)

	Particulars	Quarter ended			Half year ended		Year ended
		September 30, 2024 (Unaudited)	June 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)	March 31, 2024 (Audited)
1	**Income**						
	(a) Revenue from operations	6,672	6,238	6,737	12,910	12,545	26,018
	(b) Other income	54	35	40	89	62	225
	Total income	**6,726**	**6,273**	**6,777**	**12,999**	**12,607**	**26,243**
2	**Expenses**						
	(a) Cost of materials consumed	1,460	1,088	1,527	2,548	2,587	5,254
	(b) Purchase of stock-in-trade	195	141	235	336	300	675
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(97)	77	(141)	(20)	(41)	119
	(d) Excise duty	3,828	3,477	3,868	7,305	7,009	14,697
	(e) Employee benefits expense	163	135	144	298	270	547
	(f) Depreciation and amortisation expense	69	72	66	141	140	275
	(g) Others:						
	(i) Advertisement and sales promotion	258	175	242	433	389	1,048
	(ii) Other expenses	363	432	394	795	850	1,677
	(h) Finance costs	25	22	27	47	31	76
	Total expenses	**6,264**	**5,619**	**6,362**	**11,883**	**11,535**	**24,368**
3	**Profit before share of net loss of joint ventures, exceptional items and tax (1-2)**	**462**	**654**	**415**	**1,116**	**1,072**	**1,875**
4	Share of net loss of joint ventures	(2)	(1)	(0)	(3)	(1)	(1)
5	**Profit before exceptional items and tax (3+4)**	**460**	**653**	**415**	**1,113**	**1,071**	**1,874**
6	Exceptional items, net	-	-	31	-	14	(17)
7	**Profit before tax (5 + 6)**	**460**	**653**	**446**	**1,113**	**1,085**	**1,857**
8	**Income tax expense**						
	(a) Current tax	111	171	98	282	220	450
	(b) Current tax relating to earlier years	-	-	-	-	-	(10)
	(c) Deferred tax charge / (credit)	8	(3)	9	5	49	9
	Total tax expense	**119**	**168**	**107**	**287**	**269**	**449**
9	**Profit for the period (7-8)**	**341**	**485**	**339**	**826**	**816**	**1,408**
10	**Other comprehensive income**						
	A. Items that will be reclassified to profit or loss						
	(i) Exchange differences on translation of foreign operations	4	(1)	1	3	0	(1)
	(ii) Share of other comprehensive income of joint ventures	-	-	-	-	-	-
	B. Items that will not be reclassified to profit or loss						
	(i) Remeasurements of post-employment benefit plans	-	-	(7)	-	(7)	(3)
	(ii) Share of other comprehensive income of joint ventures	-	-	-	-	-	-
	(iii) Income tax credit relating to above	-	-	2	-	2	1
	Total other comprehensive income, net of income tax	**4**	**(1)**	**(4)**	**3**	**(5)**	**(3)**
11	**Total comprehensive income (9+10)**	**345**	**484**	**335**	**829**	**811**	**1,405**
12	**Paid up equity share capital (Face value of ₹ 2/- each)**	145	145	145	145	145	145
13	**Other equity**						6,976
14	**Earnings per share of ₹ 2/- each:**						
	Basic and Diluted (in ₹)*	4.80	6.83	4.78	11.63	11.49	19.83

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

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Unaudited Consolidated Statement of assets and liabilities as at September 30, 2024

(₹ in Crores)

Particulars	As at September 30, 2024	As at March 31, 2024
	Unaudited	Audited
ASSETS		
Non-current assets		
Property, plant and equipment	827	844
Right-of-use assets	496	227
Capital work-in-progress	66	37
Goodwill	1	1
Other Intangible assets	335	349
Intangible assets under development	1	-
Investment property	138	139
Financial assets		
Investments in joint ventures	54	46
Trade receivables	365	365
Loans	-	-
Other financial assets	111	111
Deferred tax assets (net)	172	177
Current tax assets (net)	1,039	1,358
Other non-current assets	233	218
Total non-current assets	**3,838**	**3,872**
Current assets		
Inventories	2,237	2,063
Financial assets		
Investments	765	599
Trade receivables	3,476	3,056
Cash and cash equivalents	841	1,052
Bank balances other than cash and cash equivalents	492	217
Loans	6	10
Other financial assets	43	37
Other current assets	257	343
Total current assets	**8,117**	**7,377**
Total assets	**11,955**	**11,249**
EQUITY AND LIABILITIES		
EQUITY		
Share capital	145	145
Other equity		
Reserves and surplus	7,487	6,976
Total equity attributable to the owners	**7,632**	**7,121**
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Lease liabilities	378	137
Deferred tax liabilities	72	73
Provisions	25	15
Total non-current liabilities	**475**	**225**
Current liabilities		
Financial liabilities		
Borrowings	-	25
Lease liabilities	140	103
Trade payables		
(A) total outstanding dues of micro and small enterprises	84	70
(B) total outstanding dues of creditors other than micro and small	1,839	1,884
Other financial liabilities	137	276
Provisions	361	368
Current tax liabilities (net)	337	332
Other current liabilities	950	845
Cash and cash equivalents as at the end of the period [D+E]	**3,848**	**3,903**
Total liabilities	**4,323**	**4,128**
Total equity and liabilities	**11,955**	**11,249**

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Unaudited Consolidated Statement of Cash flows for the six months ended September 30, 2024

(₹ in crores)

Particulars	Six months ended September 30, 2024	Six months ended September 30, 2023
	Unaudited	
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**1,113**	**1,085**
Adjustments for		
Depreciation and amortisation expense	141	140
Employee share-based payment expense	15	19
Loss allowance on trade receivables and other financial assets (net)	(6)	27
Profit on redemption of mutual fund investments	(41)	(18)
(Increase)/ decrease in fair value of investments	3	(4)
Finance costs	47	31
(Gain) / Loss on disposal of property, plant and equipment (net)	1	(8)
Interest income on term deposits with banks	(47)	(24)
Share of net loss in joint ventures	3	1
Exceptional items	-	(14)
Exchange loss/ (gain) on translation of assets and liabilities	(3)	2
Operating profit before changes in working capital	**1,226**	**1,237**
(Increase) / decrease in trade receivables	(424)	(248)
(Increase) / decrease in loans and other financials assets	(2)	37
(Increase) / decrease in other assets	90	(2)
(Increase) / decrease in inventories	(174)	(309)
Increase / (decrease) in trade payables	(51)	153
Increase / (decrease) in other financial liabilities	(134)	(61)
Increase / (decrease) in other liabilities	105	290
Increase / (decrease) in provisions	(16)	(52)
Cash generated from operations	**620**	**1,045**
Income taxes (payment) / refunds received	99	(185)
Net cash generated from operating activities (A)	**719**	**860**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(86)	(63)
Proceeds from sale of property, plant and equipment and investment property	1	13
Purchase of current Investments	(533)	(9,923)
Redemption of current Investments	406	9,244
Investment in term deposits with banks	(735)	-
Redemption of term deposits from banks	465	-
Investment in joint ventures	(13)	(15)
Repayment of loans given to others	3	3
Interest received	22	32
Net cash outflow from investing activities (B)	**(470)**	**(709)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of working capital loans	(25)	-
Principal repayment on lease liabilities	(62)	(65)
Interest paid on lease liabilities	(18)	(9)
Repayment of deferred sales tax liability	(0)	(1)
Dividend paid (net)	(355)	-
Net cash outflow from financing activities (C)	**(460)**	**(75)**
Net increase / (decrease) in cash and cash equivalents [D = A+B+C]	**(211)**	**76**
Cash and cash equivalents as at the beginning of the year (E)	1,052	115
Net increase / (decrease) in cash and cash equivalents	(211)	76
Cash and cash equivalents as at the end of the period [D+E]	**841**	**191**

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Unaudited Consolidated Segment wise Revenue, Results, Assets and Liabilities for the quarter and six months ended September 30, 2024

(₹ in Crores)

Particulars	Quarter ended			Half year ended		Year ended
	September 30, 2024 (Unaudited)	June 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)	March 31, 2024 (Audited)
1 Segment revenue						
Beverage Alcohol	2,843	2,352	2,865	5,195	5,037	10,692
Sports	1	413	4	414	502	635
Total net segment revenue	**2,844**	**2,765**	**2,869**	**5,609**	**5,539**	**11,327**
Inter segment elimination	-	(4)	(0)	(4)	(3)	(6)
Net segment revenue	**2,844**	**2,761**	**2,869**	**5,605**	**5,536**	**11,321**
Add: Excise duty (Beverage Alcohol)	3,828	3,477	3,868	7,305	7,009	14,697
Revenue from operations	**6,672**	**6,238**	**6,737**	**12,910**	**12,545**	**26,018**
2 Segment results - Earning before interest, tax, depreciation and exceptional items (EBITDA)						
Beverage Alcohol	511	458	470	969	855	1,707
Sports	(9)	255	(2)	246	326	294
Total segment results	**502**	**713**	**468**	**1,215**	**1,181**	**2,001**
Other income	54	35	40	89	62	225
Depreciation and amortisation expense						
Beverage Alcohol	(69)	(65)	(66)	(134)	(131)	(264)
Sports	0	(7)	-	(7)	(9)	(11)
Finance costs	(25)	(22)	(27)	(47)	(31)	(76)
Exceptional items net gain/(loss) - Beverage Alcohol	-	-	31	-	14	(17)
Share of net loss of joint ventures	(2)	(1)	(0)	(3)	(1)	(1)
Profit before tax	**460**	**653**	**446**	**1,113**	**1,085**	**1,857**
3 Segment assets						
Beverage Alcohol	11,282	10,919	10,398	11,282	10,398	10,598
Sports	674	897	630	674	630	657
Total segment assets	**11,956**	**11,816**	**11,028**	**11,956**	**11,028**	**11,255**
Inter-segment elimination	(1)	(3)	(3)	(1)	(3)	(6)
Total assets	**11,955**	**11,813**	**11,025**	**11,955**	**11,025**	**11,249**
4 Segment liabilities						
Beverage Alcohol	4,131	3,809	4,029	4,131	4,029	3,777
Sports	193	410	188	193	188	357
Total segment liabilities	**4,324**	**4,219**	**4,217**	**4,324**	**4,217**	**4,134**
Inter-segment elimination	(1)	(3)	(3)	(1)	(3)	(6)
Total liabilities	**4,323**	**4,216**	**4,214**	**4,323**	**4,214**	**4,128**

***Refer Note-1**

United Spirits Limited

Notes to the Standalone and Consolidated Statements of Financial Results for the quarter and six months ended September 30, 2024

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

   The Executive Committee has been identified as the Chief Operating Decision Maker (CODM). The CODM assesses performance and allocates resources for the following two business segments of the group:

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

2. The consolidated financial results for the quarter and six months ended September 30, 2024 includes the following subsidiaries and a trust controlled by the Company ('the Group'):

   Indian subsidiary:
   - Royal Challengers Sports Private Limited

   Overseas subsidiaries:
   - Asian Opportunities and Investments Limited
   - McDowell & Co. (Scotland) Limited
   - Palmer Investment Group Limited
   - Shaw Wallace Overseas Limited
   - United Spirits (Great Britain) Limited
   - United Spirits (UK) Limited
   - USL Holdings Limited
   - USL Holdings (UK) Limited

   Trust controlled by the Company:
   - USL Benefit Trust

   The consolidated results also include the Group's share of total comprehensive income (comprising loss and other comprehensive income) of the following joint ventures:

   - Nao Spirits & Beverages Private Limited (30% interest on fully diluted basis)
   - Inspired Hospitality Private Limited (15% interest on fully diluted basis)
   - V9 Beverages Private Limited, with effect from September 26, 2024 (15% interest on fully diluted basis)
   - Indie Brews and Spirits Private Limited, with effect from September 27, 2024 (25% interest on fully diluted basis).

3. The 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 six months ended September 30, 2024 – 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 ₹ 13 crores 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 has been taking steps to implement this plan. The Rationalisation Process for the existing subsidiaries 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 six months ended September 30, 2024 – Contd.

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

Consequent to the Rationalisation Process, the financial information of the following subsidiaries included in the consolidated financial results have been prepared on a liquidation basis (i.e. "break up" basis) i.e. (i) USL Holdings Limited, (ii) USL Holdings (UK) Limited, (iii) United Spirits (UK) Limited, (iv) United Spirits (Great Britain) Limited, (v) McDowell & Co. (Scotland) Limited, (vi) Shaw Wallace Overseas Limited and (vii) Asian Opportunities and Investments Limited. Accordingly, assets and liabilities of such subsidiaries have been recognized at their fair values that approximate their carrying values at September 30, 2024. Such remeasurements 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 ₹ 1,337 crores 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 had made provision in prior financial years for the entire principal amount due of ₹ 1,337 crores, and for the accrued interest of ₹ 85 crores up to March 31, 2014. The Company has not recognised interest income on said loan after March 31, 2014 which cumulatively amounts to ₹ 1,284 crores up to September 30, 2024. The Company has cumulatively offset ₹ 206 crores payable to UBHL arising under a trademark license agreement against the principal amount of loan and interest accrued thereon.

Since UBHL had defaulted on its obligations under the Loan Agreement, the Company sought redressal of disputes and claims through arbitration under the terms of the Loan Agreement. In April 2018, the arbitral tribunal passed a final award against the Company. The reasons for this adverse award were disputed by the Company, and the Company obtained leave from the High Court of Karnataka to challenge this arbitral award. In July 2018, the Company filed a petition challenging the said award before the Jurisdictional Court in Bangalore (the "Court"). The Court issued notice pursuant thereto to the Official Liquidator (OL). The Company filed its claim with the OL. Notwithstanding the arbitral award, based on management assessment supported by an external legal opinion, the Company has offset payable to UBHL under the trademark license agreement against the balance of loan receivable from UBHL. During the quarter ended June 30, 2023, the OL filed an application before the High Court of Karnataka, seeking avoidance of setoff by the Company of the above license fee payments and recovery of the entire license fee payable under trademark license agreement with interest. Based on the Management assessment supported by external legal opinions, the Company continues to believe that it has a good case on merits. The Company is contesting the application filed by the OL and filed its statement of objections during the quarter ended September 30, 2023. The OL subsequently filed its rejoinder during the quarter ended March 31, 2024. The Official Liquidator (UBHL) filed another claim before the High Court of Karnataka, purportedly as loans and advances repayable to UBHL by the Company, without substantiating the basis of such a claim. USL has denied this purported debt and is contesting this claim. The Company believes it has a good case on merits.

(d) Dispute with IDBI Bank Limited

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

Notes to the Standalone and Consolidated Statements of Financial Results for the quarter and six months ended September 30, 2024 – Contd.

In February 2016, following the original maturity date of the loan, the Company received a notice from the bank seeking to recall the loan and demanding a sum of ₹ 46 crores 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 ₹ 46 crores 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 ₹ 46 crores remains recoverable from the bank.

In a separate proceeding before the Debt Recovery Tribunal (DRT), Bengaluru, initiated by a consortium of banks (including the bank) for recovery of loans advanced by the consortium of banks to Kingfisher Airlines Limited (KAL), the bank filed an application for attachment of the pledged shares belonging to USL Benefit Trust. DRT dismissed the said application of the bank and the bank filed an appeal against this order before the Debt Recovery Appellate Tribunal ('DRAT'), Chennai in September 2017. The bank's appeal is pending for final hearing by the DRAT.

5. During the quarter ended December 31, 2023, the Company received a claim from one of its institutional customers, amounting to ₹ 365 crores inclusive of penalty. The claim pertains to a historical matter regarding differential trade terms and was disclosed in the annual financial statements for the years ended March 31, 2017, March 31, 2018, March 31, 2021 and March 31, 2022. The impact of the settlement was accounted for and disclosed in the financial statements for the earlier years. Management's assessment is that the claim from the customer is unreasoned, arbitrary in nature and is in violation of the principles of natural justice. Management is of the view that the matter was resolved and settled in full in the prior years. Management has therefore not acknowledged the claim from the customer and has chosen to litigate as per the legal remedies available. The Company filed a petition under the Arbitration and Conciliation Act 1996 (the "Act") before the Bombay High Court, seeking interim relief of releasing the withheld payments and to not withhold payments pending constitution of the arbitration tribunal. Further, the Company has also filed an application under Section 11 of the Act before the Bombay High Court, seeking the appointment of an arbitrator. The High Court heard both the applications under Section 9 and Section 11 of the Act together, and the court appointed a sole arbitrator to preside over the matters. On August 12, 2024, the Court directed that the Section 9 Petition (for interim relief before the court) be converted into a Section 17 Application (for interim relief before the arbitrator). Both parties have filed their pleadings. Management, supported by external legal opinion, believes that it has a good case on merits with a high probability of success in realising the withheld payments. Management has also determined that the receivable from the customer as at September 30, 2024 is good and recoverable.

6. The Statement of Standalone and Consolidated Financial Results for the quarter and six months ended September 30, 2024, have been reviewed by the Audit Committee of the Company and approved by the Board of Directors of the Company at their meetings held on October 23, 2024.

DIBYENDU MAJUMDER Digitally signed by DIBYENDU MAJUMDER Date: 2024.10.23 16:55:36 +05'30'

For and on behalf of the Board of Directors

HINA NAGARAJAN Digitally signed by HINA NAGARAJAN Date: 2024.10.23 16:27:19 +05'30'

Place: Goa
Date: October 23, 2024

Hina Nagarajan
Managing Director and Chief Executive Officer

Price Waterhouse & Co Chartered Accountants LLP

Review Report

To
The Board of Directors
UB Tower
#24 Vittal Mallya Road
Bengaluru 560 001.

1. We have reviewed the unaudited financial results of United Spirits Limited (the "Company") for the quarter and six months ended September 30, 2024 which are included in the accompanying 'Unaudited Standalone Statement of Financial Results for the quarter and six months ended September 30, 2024', the 'Unaudited Standalone Statement of Assets and Liabilities as at September 30, 2024' and the 'Unaudited Standalone Statement of Cash Flows for the six months ended September 30, 2024' together with the notes thereon (the "Standalone Financial Results"). The Standalone Financial Results has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015"), which has been digitally signed by us for identification purposes.

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

3. We conducted our review of the Standalone Financial Results in accordance with the Standard on Review 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 Standalone Financial Results 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) 40794188

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

   b. As explained in Note 4(d) to the Standalone Financial Results, which describes the uncertainty relating to the final outcome of litigations with a bank ("the bank") that continues to retain the pledge of certain assets of the Company and of the Company's shares held by USL Benefit Trust (of which the Company is the sole beneficiary) despite the Company prepaying the term loan to that bank along with the prepayment penalty and further depositing an additional sum of INR 46 crores 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 46 crores under Other Non-current financial assets as recoverable from the bank pending the final outcome of the litigation. In a separate proceeding before the Debt Recovery Appellate Tribunal, the bank's appeal against the judgement awarded by Debt Recovery Tribunal in favour of the Company in respect of attachment of the aforesaid pledged shares for recovery of the loans advanced by the bank to Kingfisher Airlines Limited is pending disposal.

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

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E300009
Chartered Accountants

DIBYENDU MAJUMDER — Digitally signed by DIBYENDU MAJUMDER Date: 2024.10.23 17:01:22 +05'30'

Dibyendu Majumder
Partner
Membership Number: 057687
UDIN: 24057687BKFTQL3489

Place: Mumbai
Date: October 23, 2024

Price Waterhouse & Co Chartered Accountants LLP

Review Report

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

1. We have reviewed the consolidated unaudited financial results of United Spirits Limited (the "Holding Company "), its subsidiaries and trust controlled by it (together referred to as "the Group"), and its share of the net loss after tax and total comprehensive income of its joint ventures (refer Note 2 to the Unaudited Consolidated Financial Results) for the quarter and six months ended September 30, 2024 which are included in the accompanying 'Unaudited Consolidated Statement of Financial Results for the quarter and six months ended September 30 2024', 'the Unaudited Consolidated Statement of Assets and Liabilities as at September 30, 2024', and 'the Unaudited Consolidated Statement of Cash Flows for the six months ended September 30, 2024' together with the notes thereon (the "Consolidated Financial Results"). The Consolidated Financial Results is being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015"), which has been digitally signed by us for identification purposes.

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

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

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

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

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

Indian Subsidiaries
- Royal Challengers Sports Private Limited

Overseas subsidiaries
- Asian Opportunities and Investments Limited
- McDowell & Co. (Scotland) Limited
- Palmer Investment Group Limited
- Shaw Wallace Overseas Limited
- United Spirits (Great Britain) Limited
- United Spirits (UK) Limited
- USL Holdings Limited
- USL Holdings (UK) Limited

Trust controlled by the Holding Company
- USL Benefit Trust

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

- Nao Spirits & Beverages Private Limited
- Inspired Hospitality Private Limited
- Indie Brews and Spirits Private Limited
- V9 Beverages Private Limited

6. Based on our review conducted and procedures performed as stated in paragraphs 3 and 4 above, nothing has come to our attention that causes us to believe that the accompanying Consolidated Financial Results has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting 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.

7. We draw your attention to the following matters:

   a. As explained in Note 4(a) to the Consolidated Financial Results which explains the uncertainties post completion of the Initial Inquiry, which identified references to certain Additional Parties and certain Additional Matters, the then MD and 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 rationalization process for divestment/ liquidation/ merger of certain overseas subsidiaries including step down subsidiaries and completion of the above rationalization process is subject to regulatory approvals in India and overseas.

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Bengaluru

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

b. As explained in Note 4(d) to the Consolidated Financial Results, which describes the uncertainty relating to the final outcome of litigations with a bank ("the bank") that continues to retain the pledge of certain assets of the Holding Company and of the Holding Company's shares held by USL Benefit Trust (of which the Holding Company is the sole beneficiary) despite the Holding Company prepaying the term loan to that bank along with the prepayment penalty and further depositing an additional sum of INR 46 crores 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 46 crores under 'Other Non-current financial assets' as recoverable from the bank pending the final outcome of the litigation. In a separate proceeding before the Debt Recovery Appellate Tribunal, the bank's appeal against the judgement awarded by Debt Recovery Tribunal in favour of the Holding Company in respect of attachment of the aforesaid pledged shares for recovery of the loans advanced by the bank to Kingfisher Airlines Limited is pending disposal.

8. *The Consolidated Financial Results includes the financial information of 8 subsidiaries and* a trust controlled by the Group which have not been reviewed by their auditors, whose interim financial information reflect total assets of INR 79 crores and net assets of INR 77 crores as at September 30, 2024, total revenue of Nil and Nil, total net profit after tax of INR 13 crores and INR 13 crores and total comprehensive income of INR 13 crores and INR 13 crores for the quarter and six months ended September 30, 2024, respectively, and cash inflows (net) of INR 53 crores for the six months ended September 30, 2024 as considered in the Consolidated Financial Results. The Consolidated Financial Results also includes the Group's share of net loss after tax of (INR 2 crores) and (INR 3 crores) and total comprehensive income of (INR 2 crores) and (INR 3 crores) for the quarter and six months ended September 30, 2024, respectively, as considered in the Consolidated Financial Results, in respect of joint ventures, based on its financial information which has not been reviewed by their auditors. According to the information and explanations given to us by the Management, these financial information are not material to the Group.

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

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E300009
Chartered Accountants

DIBYENDU MAJUMDER

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Date: 2024.10.23 17:02:40 +05'30'

Dibyendu Majumder
Partner
Membership Number: 057687
UDIN: 24057687BKFTQK9862

Place: Mumbai
Date: October 23, 2024