ANHEUSER BUSCH INBEV INDIA LIMITED

(Formerly known as SABMiller India Limited)

ANNUAL REPORT

2019-2020

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General Information for Annual Report 2019-20

Board of Directors
Ms. Sapna Taneja, Independent Director
Mr. Arun Monappa, Independent Director
Mr. Gagandeep Singh Sethi, Whole Time Director
Mr. Ben Magda J Verhaert, Whole Time Director

Registrar and Share Transfer Agent
Sharex Dynamic (India) Private Limited
C-101, 247 Park, L B S Marg, Vikhroli West,
Mumbai-400083
Tel: 28515606/5644/6338
Fax: 28512885

Registered Office
301/302, Dynasty Business Park,
B Wing, Andheri Kurla Road,
Andheri (E), Mumbai – 400059

Corporate Office
6th Floor, Green Heart Building,
Manyata Tech Park, Nagvara,
Bengaluru – 560045

Statutory Auditors
Price Waterhouse & Co Chartered Accountants LLP
5th Floor, Tower 'D', The Millenia, 1 & 2 Murphy
Road, Ulsoor, Bangalore, Karnataka- 560008

Stakeholders Relationship Committee
Mr. Gagandeep Singh Sethi
Mr. Arun Monappa
Ms. Nishi VijayVargiya

Audit Committee
Mr. Arun Monappa
Ms. Sapna Taneja
Mr. Gagandeep Singh Sethi

Nomination and Remuneration Committee
Mr. Arun Monappa
Ms. Sapna Taneja
Mr. Gagandeep Singh Sethi

Corporate Social Responsibility Committee
Mr. Arun Monappa
Ms. Sapna Taneja
Mr. Gagandeep Singh Sethi

Notice

NOTICE FOR THE THIRTY FIRST ANNUAL GENERAL MEETING OFANHEUSER BUSCH INBEV INDIA LIMITED

Notice is hereby given to all the members of Anheuser Busch Inbev India Limited ("Company") that the 31st (Thirty First) Annual General Meeting ("AGM") of the members of the Company will be held on April 27, 2022, at 12.00 noon (IST), through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Board of Directors and Auditors thereon.

2. To appoint a director in place of Mr. Kartikeya Sharma (DIN: 07728620), who retires by rotation and being eligible, offers himself for re-appointment

SPECIAL BUSINESS:

3. Appointment of Mr. Aditya Vikram Jalan (DIN: 00281906) as a Non-Executive Director of the Company.

   To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT Mr. Aditya Vikram Jalan (DIN: 00281906) who was appointed as an Additional Director of the Company by the Board of Directors with effect from January 31, 2022 and who holds office up to the date of the forthcoming Annual General Meeting under Section 161 of the Companies Act, 2013 ('the Act') and Articles of Association of the Company, but who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a shareholder proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company."

   "RESOLVED FURTHER THAT pursuant to the provisions of sections 152 and other applicable provisions of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Aditya Vikram Jalan (DIN: 00281906), be and is hereby appointed as a Non-Executive Director of the Company."

4. Appointment of Mr. Mahesh Kumar Mittal (DIN: 09071616) as Director of the Company.

   To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT Mr. Mahesh Kumar Mittal (DIN: 09071616) who was appointed as an Additional Director of the Company by the Board of Directors with effect from February 25, 2021 and who holds office up to the date of the forthcoming Annual General Meeting under Section 161 of the Companies Act, 2013 ('the Act') and Articles of Association of the Company, but who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice inwriting under Section 160 of the Act from a shareholder proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

   RESOLVED FURTHER THAT the any one of the Directors or a Committee thereof or company secretary of the Company be and is hereby authorized to sign and file all the relevant applications, forms, returns, other documents, etc. with the concerned Registrar of Companies/ Ministry of Corporate Affairs and to do all other acts, deeds, matters and things which are necessary for the purpose of giving effect to the aforesaid resolution."

5. **Appointment of Mr. Mahesh Kumar Mittal (DIN: 09071616) as Whole-time Director of the Company and payment of remuneration to him.**

   To consider, and if thought fit, to pass the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s)or re-enactment(s) thereof, for the time being in force), the approval of the Company be and is hereby accorded for appointment of Mr. Mahesh Kumar Mittal (DIN: 09071616) as Whole-time Director of the Company for a period of 5 (five) years with effect from March 1, 2021 on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee and the Board of Directors for the approval of Members, as set out below:

Notice (Contd.)

Salary: As may be fixed by the Board of Directors from time to time, subject to a maximum of INR 65 millions approximately, per annum, including performance bonus as may be determined by the Board of Directors be paid as minimum remuneration in case the Company has no profits or the profits of the Company are inadequate during period commencing from March April 1, 2021 to February 29, 2024 or for such shorter period as may be prescribed under applicable laws.

Perquisites:

Contribution to Provident Fund and Superannuation Fund as per the Company's Rules.

Earned/ Privilege Leave and Encashment of leave at the end of the tenure as per the Company's Rules. Reimbursement of Medical Expenses & LTC as per the Company's Rules.

Other perquisites, allowances, benefits and amenities as per the service rules of the Company, as applicable from time to time.

"**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to revise, enhance, alter and vary from time to time the terms and conditions of the appointment and/or payment of remuneration based on the recommendation of the Nomination and Remuneration Committee in such manner as may be agreed to by the Board of Directors within the maximum amounts payable to the Directors in terms of the provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force)."

"RESOLVED FURTHER THAT the any one of the Directors or a Committee thereof or company secretary of the Company be and is hereby authorized to sign and file all the relevant applications, forms, returns, other documents, etc. with the concerned Registrar of Companies/ Ministry of Corporate Affairs and to do all other acts, deeds, matters and things which are necessary for the purpose of giving effect to the aforesaid resolution."

6. **Ratification of the remuneration paid to Mr. Mahesh Kumar Mittal (DIN: 09071616) for period from March 1, 2021, to March 31, 2021.**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:

RESOLVED THAT consent of the members be and is hereby accorded, subject to the provisions of Section 196, 197, 198 and any other applicable provisions of the Companies Act, 2013 read along with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or amendment(s) or re-enactment thereof, for the time being in force), the articles of association of the Company and approval of the Central Government and/or of all concerned statutory and regulatory authorities, departments and person(s), if any, and to the extent necessary and such other approvals, permissions and sanctions as may be required, for ratification of the remuneration paid to Mr. Mahesh Kumar Mittal (DIN: 09071616) ,amounting to INR 65,25,238 approximately, for the year ended March 31, 2021."

"RESOLVED FURTHER THAT the any one of the Directors or a Committee thereof or company secretary of the Company be and is hereby authorized to sign and file all the relevant applications, forms, returns, other documents, etc. with the concerned Registrar of Companies/ Ministry of Corporate Affairs and to do all other acts, deeds, matters and things which are necessary for the purpose of giving effect to the aforesaid resolution."

7. **Approval and ratification of payment of remuneration paid to Mr. Ben J Verheart (DIN: 08004326) beyond the limits prescribed under the Companies Act, 2013 and waiver of recovery of the amount of excess remuneration paid, who held office of whole-time director until September 4th 2020 for the Financial Year 2019-20.**

To consider, and if thought fit, to pass the following resolution as a Special Resolution:

Notice (Contd.)

"**RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee and the Board of Directors of the Company and Sections 197, 198 read with Schedule V of the Companies Act, 2013 ("the Act") and other applicable provisions, if any, of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to such approvals as may be required, the approval of the members of the Company be and is hereby accorded to ratify and confirm waiver of recovery of excess managerial remuneration paid during financial year 2019-20 to Mr. Ben J Verheart, (DIN: 08004326) Whole-Time Director of the Company who held office until 4th September, 2020. ."

"**RESOLVED FURTHER THAT** the any one of the Directors or a Committee thereof or company secretary of the Company be and is hereby authorized to sign and file all the relevant applications, forms, returns, other documents, etc. with the concerned Registrar of Companies/ Ministry of Corporate Affairs and to do all other acts, deeds, matters and things which are necessary for the purpose of giving effect to the aforesaid resolution."

By order of the Board
Anheuser Busch Inbev India Limited

Kartikeya Sharma
Whole Time Director
DIN:07728620

January 31, 2022
Bengaluru, India

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Notes:

1. In view of the massive outbreak of the Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 20/2020 dated May 5, 2020 (collectively referred to as "MCA Circulars") permitted companies to conduct the AGM through VC / OAVM, without the physical presence of the members at a common venue, subject to compliance of various conditions mentioned therein. In compliance with the MCA Circulars and applicable provisions of the Companies Act, 2013 ("CA 2013"), the 30th (Thirtieth) AGM of the Company is being held through VC / OAVM.

2. The Company has enabled the members to participate at the AGM through VC/ OAVM facility provided by National Securities Depository Limited (NSDL). The instructions for participation by members are given in the subsequent paragraphs. The facility of participation at the AGM through VC/ OAVM will be made available for 1,000 (one thousand) members on first-come-first-served basis. This will not include large Shareholders (that is, shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the AGM without restriction on account of first-come-first-served basis.

3. In addition to the above, the proceedings of the AGM will be web-casted live for all the shareholders. The shareholders can visit https://www.nsdl.co.in/ and login through existing user id and password to watch the live proceedings of the AGM on Wednesday [•], from 12:00 noon (IST) onwards.

4. As per the provisions of the MCA Circulars, members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of CA 2013.

5. As per CA 2013, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since, this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this notice.

6. As this AGM will be held through VC/ OAVM, the route map of the venue of the meeting is not annexed to this notice.

7. In compliance with the MCA Circulars, notice of the AGM along with the Annual Report 2019-20 are being sent only through electronic mode to those members whose email addresses are registered with the Company/ Depositories. Members may note that this notice and Annual Report 2019-20 will also be available on the website of NSDL (agency for providing e-Voting facility) at www.evoting.nsdl.com.

8. For receiving all communication (including, Annual Report, notice for AGM, e-voting instructions) from the Company electronically:

    (a) Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Company's Registrar and Share Transfer Agent ("RTA"), Sharex Dynamic India Private Limited having its office at C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra with details of folio number, name of shareholder, attaching a scanned copy of share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of AADHAR card) at support@sharexindia.com and evoting@sharexindia.com with a copy marked to the Company at Aishwarya.Satish@in.ab-inbev.com

    (b) Members holding shares in dematerialized mode are requested to register / update their email addresses with the relevant Depository through their Depository Participant(s).

9. Members who hold shares in dematerialized form and want to provide/change/correct the bank account details should send the same immediately to their concerned Depository Participant and not to the Company. The Company will not entertain any direct request from such Members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details. While making payment of dividend, the RTA is obliged to use only the data provided by the Depositories, in case of such dematerialized shares.

10. All queries relating to non-receipt of share certificates after transfer/ transmission/ dematerialization/ rematerialization, mandates, change of address, nomination etc. may be sent to the Company's RTA, Sharex Dynamic India Private Limited, C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai – 400083, Maharashtra at their e-mail: support@sharexindia.com and evoting@sharexindia.com.

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11. Members who are holding shares in physical form are advised to submit particulars of their bank account, viz. name and address of the branch of the bank, MICR code of the branch, type of account and account number to the Company's RTA, Sharex Dynamic India Private Limited, C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra at their e-mail: support@sharexindia.com and evoting@sharexindia.com.

12. Members who are holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or its RTA the details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the members after making requisite changes, thereon. Members are requested to use the share transfer form SH-4 for this purpose.

13. In accordance with Rule 9A of the Companies (Prospectus of Securities) Rules, 2014, effective from October 02, 2018, transfers of securities of the Company shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in corporate actions.

14. Voting through electronic means:

    I. In compliance with the provisions of Section 108 of CA 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of the MCA Circulars, the Company is pleased to provide the facility to members to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means – both through remote e-voting and e-voting during the AGM. For this purpose, the Company has appointed National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (that is, remote e- voting) will be provided by NSDL. Such remote e-voting facility is in addition to e-voting that will take place at the AGM being held through VC/ OAVM.

    II. Members joining the AGM through VC/ OAVM, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM.

    III. Members who have already cast their votes by remote e-voting prior to the AGM may also join the AGM through VC/ OAVM but shall not be entitled to cast their vote again at the AGM.

    IV. The remote e-voting period commences on April 24, 2022 at 9:00 a.m. (IST) and ends on April 26, 2022 at 5:00 p.m. (IST). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of April 20, 2022 may cast their votes electronically as per the process detailed in this notice. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution(s) is cast by the member, the member shall not be allowed to change it subsequently. A person who is not a member as on the cut-off date should treat this notice for information purposes only.

    V. The process and manner for remote e-voting is as under:

    A. The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

    Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/.

    Step 2: Cast your vote electronically on NSDL e-Voting system.

    Details of Step 1 are mentioned below:

    How to Log-in to NSDL e-Voting website?

    (i) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile.

    (ii) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

    (iii) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

    (Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once

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you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.)

(iv) Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12************** then your user ID is 12**************
For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

(v) Your password details are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will ask you to change your password.

c) How to retrieve your 'initial password'?

(i) (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digits client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered

(vi) If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a) Click on "**Forgot User Details/ Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com

b) **Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

vii) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

(viii) Now, you will have to click on "Login" button.

(ix) After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

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(i) After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

(ii) After clicking on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

(iii) Select "EVEN" of Anheuser Busch InBev India Limited.

(iv) Now you are ready for e-Voting as the Voting page opens.

(v) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/ modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

(vi) Upon confirmation, the message "Vote cast successfully" will be displayed.

(vii) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

(viii) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

B. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

(i) In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to support@sharexindia.com, evoting@sharexindia.com, and Aishwarya.Satish@in.ab-inbev.com.

(ii) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to support@sharexindia.com, evoting@sharexindia.com and Aishwarya.Satish@in.ab-inbev.com.

VI. VI. In case of any query and/ or grievance, in respect of voting by electronic means, Members may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual available at the download section of www.evoting.nsdl.com or call on toll free no.:1800-222-990 or send a request to Mr. Anubhav Saxena, Assistant Manager, NSDL at evoting@nsdl.co.in for any further clarifications.

VII. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IX. The instructions for members for e-voting on the day of the AGM are as under:

(i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

(ii) Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

(iii) Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(iv) The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

X. The voting rights of members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date that is April 20, 2022

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XI. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice of AGM and holding shares as of the cut-off date that is, April 20, 2022 ,or has registered his/her/its e-mail address after dispatch of the notice of AGM, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or contacting the RTA at support@sharexindia.com and evoting@sharexindia.com.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on www.evoting.nsdl.com or contact NSDL at the toll-free no.:1800-222-990.

XII. XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as e-voting at the AGM.

XIII. XIII. The Company has appointed Ms. Sarvari Shah (FCS 9697) and failing her Mr. Mitesh Dhabliwala (FCS 8311) of Parikh & Associates, Practicing Company Secretaries, to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner.

XIV. The Scrutinizer will submit his report to the Chairman after the completion of scrutiny, and the result of the voting will be announced by the Chairman or any Director of the Company duly authorized, on or before Saturday, October 3, 2020 and will also be displayed on the website of the NSDL (https://www.nsdl.co.in), besides being communicated to the Depositories and RTA.

15. Members who wish to claim dividends, which remain unclaimed, are requested to correspond with the Company's RTA for revalidation and encashment before the due dates. The details of such unclaimed dividends are available on the RTA's website at http://www.sharexindia.com/.

    Members are requested to note that the dividend remaining unclaimed for a continuous period of seven years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to the Investor Education and Protection Fund (IEPF). In addition, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to demat account of the IEPF Authority within a period of 30 (thirty) days of such shares becoming due to be transferred to the IEPF.

    In the event of transfer of shares and the unclaimed dividends to IEPF, Members are entitled to claim the same from the IEPF authority by submitting an online application in the prescribed Form IEPF-5 available on the website http://www.iepf.gov.in/ and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in Form IEPF-5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.

16. All documents referred to in the accompanying notice and the explanatory statement, including Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under CA 2013 shall be available for inspection electronically. Members seeking to inspect such documents can send an email to Aishwarya.Satish@in.ab-inbev.com.

17. 17. Corporate/ Institutional members (that is, other than individuals, HUF, NRI etc.) are requested to send a legible scanned certified true copy (in PDF/JPG format) of the Board Resolution/ Power of Attorney / Authority Letter, etc., authorizing their representative to attend the AGM through VC/ OAVM and vote on their behalf together with attested specimen signature(s) of the duly authorized representative(s) to the Scrutinizer at cs@parikhassociates.com with a copy marked to NSDL at evoting@nsdl.co.in. Institutional investors are encouraged to attend and vote at the meeting through VC/ OAVM.

18. In case of any queries regarding the Annual Report, the Members may write to Aishwarya.Satish@in.ab-inbev.com to receive an email response.

19. An explanatory statement pursuant to Section 102 (1) of CA 2013, relating to the special businesses to be transacted at the AGM and details as per Paragraph 1.2.5 of the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of the Directors seeking appointment and/ or re-appointment at the AGM are annexed hereto and forms part of this notice

Instructions for attending AGM through VC/ OAVM:

1. Members may access the platform to attend the AGM through VC/ OAVM at www.evoting.nsdl.com by using their remote e-voting credentials.

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2. The facility for joining the AGM shall open 15 minutes before the scheduled time for commencement of the AGM and shall be closed after the expiry of 15 minutes after such schedule time.
3. Members are encouraged to join the AGM using Google Chrome, Safari, Internet Explorer, Microsoft Edge or Mozilla Firefox 22.
4. Members will be required to grant access to the web-cam to enable two-way video conferencing.
5. Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. Members are advised to use stable Wi-Fi or LAN connection to participate at the AGM through VC/ OAVM in a smooth manner.
6. Members who may want to express their views or ask questions at the AGM may do so through the Live chat facility that will be provided during the entire duration of the AGM, by mentioning their name, demat account number/folio number, email ID and mobile number. The Members may also write toAishwarya.Satish@in.ab-inbev.com in case of any queries regarding the Annual Report, including businesses to be transacted at the AGM and the answers will be announced by the Chairman during the AGM.
7. Members who may require any technical assistance or support before or during the AGM are requested to contact NSDL at toll free no.: 1800-222-990 or write to them at evoting@nsdl.co.in.

Explanatory statement under Section 102 of the Companies Act, 2013

Item No. 3

The Board of Directors of the Company at its meeting held on January 31, 2022, appointed, Mr. Aditya Vikram Jalan (DIN: 00281906) as an Additional Director of the Company with effect from January 31, 2022, to hold office as Director till the date of the Annual General Meeting pursuant to Section 161 of the Act.

In terms of Section 160 of CA 2013, the Nomination and Remuneration Committee and the Board of Directors have recommended the appointment of Mr. Aditya Vikram Jalan as a Non-Executive Director pursuant to the provisions of Sections 149 and 152 of CA 2013. The Company has also received a notice in writing from a member proposing the candidature of Mr. Aditya Vikram Jalan to be appointed as Director of the Company.

Further, the Company has also received Mr. Aditya Vikram Jalan's consent to act as a Director in terms of Section 152 of CA 2013 and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of CA, 2013.

Aditya Vikram Jalan, is a lawyer who advises corporates on both, civil and criminal law issues. A detailed profile of Aditya is provided under Annexure B of this notice. Considering his deep repository of knowledge and experience, the Board of Directors is of the opinion that it would be in the interest of the Company to appoint him as an Independent Director for a period of 5 (five) years with effect from the conclusion of this AGM.

Copy of letter of appointment of Mr. Aditya Vikram Jalan setting out the terms and conditions of appointment is being made available for inspection by the members through electronic mode.

Additional information in respect of Mr. Aditya Vikram Jalan, pursuant to the Secretarial Standards on General Meetings (SS-2), is given at

Annexure A to this Notice. Brief profile of Mr. Aditya Vikram Jalan is given at Annexure B to this Notice.

Except Mr. Aditya Vikram Jalan, being the appointee, or her relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 3.

The Board of Directors recommends the resolution as set out in Item No. 3 for approval of the members by way of an Ordinary Resolution.

Item No. 4,5 and 6

Mr. Mahesh Kumar Mittal (DIN: 09071616) who was appointed as an Additional Director of the Company by the Board of Directors with effect from February 25, 2021, and who holds office up to the date of the forthcoming Annual General Meeting under Section 161 of the Companies Act, 2013 ('the Act') and Articles of Association of the Company, but who is eligible for appointment and has consented to act as a Director of the Company.

Considering his experience in this sector and business acumen, the Board of Directors is of the opinion that it would be in the interest of the Company to appoint him as Whole-time Director of the Company for a period of 5 (five) years with effect from the conclusion of this General Meeting.

Copy of letter of appointment of Mr. Mahesh Kumar Mittal setting out the terms and conditions of appointment is being made available for inspection by the members through electronic mode.

Notice (Contd.)

Additional information in respect of Mr. Mahesh Kumar Mittal, pursuant to the Secretarial Standards on General Meetings (SS-2), is given at **Annexure A** to this Notice. Brief profile of Mr. Mahesh Kumar Mittal is given at **Annexure B** to this Notice.

In this regard, the Board also seeks the approval of the members, towards the remunerations payable to Mr. Mahesh Kumar Mittal for the period March 01, 2021 to March 31, 2021 on the terms and conditions as approved by the Board.

Item 7

The members may be informed, owing to the continued situation of the COVID-19 outbreak, the Company had inadequate profits and because of this industry upheaval, the revenue of the Company dropped to an unforeseen level. Owing to the above factors, the financial performance of the Company in the financial year ended 31st March 2020 did not meet expectations and it is possible that the Company may also have inadequate profits in coming years.

As a result of the above, the remuneration paid to Mr. Ben J Verheart, for the financial year 2019-20 may have exceeded the limits specified under Section 197 of the Companies Act, 2013 (the Act) read with Schedule V thereto. Pursuant to Section 197(10) of the Act, the members of the Company can waive the recovery of excess remuneration by passing a special resolution.

Considering the contribution of these managerial personnel to the Company, it is apt and justifiable to waive off the excess remuneration paid due to inadequate profits.

The Board, on the recommendation of the Nomination and Remuneration Committee at their respective meetings, have ratified excess remuneration paid to:

i. Mr. Ben J Verheart –held office of whole-time director till September 4th, 2020.

The details regarding prescribed limits and remuneration paid is as under:

Name	Effective Capital (Rs. in Millions)*	Prescribed Limit under Schedule V of Companies Act, 2013 (Rs. in Millions)	Amount of Remuneration paid for FY 2019-20 (Rs. in Millions)	Excess amount Paid (Rs. in Millions)
Mr. Ben J Verheart	17,594	13	49	35

*Computation made on the basis of Audited Financials for FY 2019-20

Approval of the members of the Company be and is hereby accorded to ratify and confirm waiver of recovery of excess managerial remuneration paid to Mr. Ben J Verheart Director of the Company during financial year 2019-20

The statement of disclosures under Section 197 of CA 2013 read along with the rules framed thereunder and Schedule V is as provided at explanatory statement for item no. 7.

The Board of Directors accordingly recommends the resolution set out at Item no.8 in accompanying notice for the approval of the members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No.7

By order of the Board
Anheuser Busch Inbev India Limited

Kartikeya Sharma
Whole Time Director
DIN:07728620
January 31, 2022
Bengaluru, India

Notice (Contd.)

ANNEXURE A

Details of Directors seeking appointment/ re-appointment at the AGM

Name of the Director	Mr. Aditya Vikram Jalan	Mr. Kartikeya Sharma	Mr. Mahesh Kumar Mittal
Directors Identification Number (DIN)	00281906	07728620	09071616
Date of Birth	February 01, 1988	July 30, 1981	16/07/1970
Age	34 years	41 years	52 years
Date of Appointment	January 01, 2022	September 04, 2020	February 25, 2021
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None	None	None
Expertise in specific functional area	Legal & Compliance	Marketing and Business Development	Business Operations and Strategy
Qualification(s)	LLB; An Advocate registered with the Bar Council of Maharashtra and Goa.	•Bachelor's in Economics • Mastering Marketing from IIM-Lucknow • MBA from Harvard Business School	Executive General Management Program from IIM Lucknow , and a Bachelor's Degree in Mechanical gineering. Mahesh is also a certified Energy Auditor from National Productivity Council India.
Number of equity shares held in the Company as at March 31, 2020	NIL	NIL	NIL
Other Directorships, Membership/ Chairmanship of Committees of other publiclimited companies, if any, as on March 31, 2020	NIL	**Other Directorships** • Anheuser Busch Inbev Breweries Private Limited	NIL
Justification for choosing the appointee(s) for appointment as Independent Directors	Not Applicable	Not Applicable	Not Applicable
Remuneration	Not Applicable	Mr. Kartikeya Sharma, Whole-Time Director, who retires by rotation and being eligible, offers himself for re-appointment as per the terms and conditions as approved by the Board.	As per the terms and conditions as approved by the Board.

Notice (Contd.)

ANNEXURE B

Brief profile of Directors seeking appointment/ re-appointment at the AGM

Mr. Aditya Vikram Jalan, Non-Executive Director

Aditya Vikram Jalan, is a lawyer who advises corporates on both, civil and criminal law issues. Aditya has immense experience in advising clients on joint venture partnership, shareholder disputes and other areas of corporate legal advisory and disputes. Aditya has continued to represent clients before various fora, both in India and in countries such as Singapore, USA, England, etc. In India, Aditya regularly appears before tribunals and courts in Delhi, Mumbai, Bangalore, Hyderabad, Chennai, Bhopal, amongst others. Aditya is currently working as a Partner with the law-firm AZB & Partners.

Mr. Mahesh Kumar Mittal, Whole Time Director

Mahesh has diverse management and operations experience within Plant operations, Safety, Environment, Quality, Facility Engineering, projects and Maintenance disciplines, and lean methodology implementation. Mahesh heads the Supply function for AB InBev in India and South East Asia, and he has been with the company for over 15 years. With over 25 years of experience, Mahesh has previously worked with leading companies, including J.K Paper and PepsiCo, involving exposure to various factory operations streams. Mahesh's role at AB InBev has enabled him to spearhead many innovative projects, programs and initiatives that propelled the company's business in India and South-East Asia.

Mr. Kartikeya Sharma, Whole Time Director

Mr. Kartikeya Sharma has over 14 (fourteen) years of experience in marketing and business development. He joined the Company in 2005, and worked across markets such as Africa, and Canada and was part of the team that set up the India business heading functions such as marketing and trade marketing. As Vice-President Marketing and more recently Vice President Sales, he played an integral role in driving sustainable portfolio performance.

He has also played a vital role in our continued growth and success across geographies, transforming our portfolio, delivering strong brand growth and curating meaningful experiences to our consumers. He has a deep understanding of the consumer coupled with the dynamics of the industry and commercial acumen.

Report of Board of Directors

Dear Members,

Your Directors have the pleasure in presenting their 31st Report and the Statement of accounts for the year ended 31st March 2020

1. **State of Affairs**

(Rupees in Millions)

Particulars	Financial Year 2019-20	Financial Year 2018-19
Revenue from operations	33,545	31,672
Profit/(Loss) before taxation	(6,828)	(3,046)
Provision for taxation	(55)	-
Other comprehensive income	(95)	0
Total comprehensive income for the year	(6,868)	(3,046)

2. **Operations**

The year 2019-20 noticed an increase in revenue mainly on account of increasing focus on premiumization, discount optimization and increased focus on moderation plans.

Our historical trends clearly show growth of premium and Core+ brands being Budweiser and Beck's respectively while reducing focus on core brands.

The Company continues to invest in efforts towards launching higher margin brands, increasing distribution, targeted volumes per outlet, moderation and localization.

Other Operational Highlights

Your Board enjoys the unqualified support of all its financiers whose confidence in the future of your company is evidenced by the fact that all borrowings have been made without the bankers taking any charges over your company's assets and are used for both short term and long term purposes.

The Company has operations in virtually every major beer market and an expanded portfolio that included global, multi-country and local brands, providing more choices for consumers around the world. Customers will benefit from a broad distribution network and strong brand-building expertise. The Company will also continue to develop its business in partnership with its suppliers as it continues brewing the best beers using the best ingredients.

3. **Impact of Covid-19 Pandemic**

In view of the nationwide lockdown due to the outbreak of COVID-19 pandemic, the Company's operations were temporarily stopped from March 25, 2020. Operations have since resumed in staggered manner with adequate precautions being taken in accordance with Government guidelines. Management is taking appropriate action, as necessary, to scale up operations in due compliance with the applicable laws.

Basis various internal and external information available up to the date of approval of these financial statements the Management has assessed and considered the impact of COVID-19 pandemic in the financial statements for the year ended 31 March 2020 and will continue to monitor changes in future economic conditions. The eventual outcome of the impact of COVID-19 may be different from that estimated as on the date of approval of these financial statements.

4. **Events subsequent to the date of financial statements**

On May 28, 2020 EGM was held through Video-Conferencing (VC) or Other Audio-Visual Means (OAVM) & members approved The Scheme Of Amalgamation Between Crown Beers India Private Limited ("Transferor Company") And Anheuser Busch Inbev India Limited (Transferee Company) And their Respective Shareholders And Creditors

Pursuant to the approval from members in the Extra-Ordinary General Meeting ('EGM') held on 30 November 2021 for issuance of 280,818,082 equity shares of INR 10 each at a premium of INR 37.70 per equity share aggregating to INR 13,395 million by way of conversion of the existing External Commercial Borrowings of USD 105 million (INR 7,770 million) and cash consideration of INR 5,625 million, the Company has allotted the equity shares at the meeting of the Board of Directors held on 22 December 2021 .

The Board of Directors in its meeting held on 22 December 2021 have approved the Company to sell / dispose off three of its breweries located in Kerala, Odisha and Pudicherry respectively to KALS Breweries

Report of Board of Directors (Contd.)

Private Limited for a consideration and on such terms and conditions as may be deemed fit by the Board, subject to approval from the members by way of a special resolution. The consideration for the proposed sale of the above mentioned breweries is estimated to be higher than the carrying value of these assets as at 31 March 2020 respectively.

Further, the Company has entered into a deed of assignment for sale/ transfer/ assignment of right, title and interest in the brand "Foster's" and the associated intellectual property with KALS Breweries Private Limited on 23 December 2021 for INR 75 crore, subject to ratification from the members by way of a special resolution.

5. Dividend

As the Company has incurred loss during the year, the Directors do not recommend any dividend on the equity capital of the Company.

6. Our Brands
Budweiser

Budweiser is the leading brand in the ABI portfolio and continues to be the market leader in the premium segment in India. The brand saw strong growth in 2019 with expansion into new markets, execution of large scale through-the-line marketing campaigns like Be a King Campaign, BUDX (including Tomorrowland) etc. We have a new innovative packaging designed by our global design agency on the premium variant Budweiser Magnum in key markets to continue to premiumize our offering to consumers and improve brand equity parameters.

The focus now is to lead and accelerate premium growth with Budweiser. With this focus Budweiser has already become a 1MHL brand and we continue to strive for further growth. While we continue to focus on closing gaps of number of distributors and Volumes per outlet, we have also ensured that Budweiser has one of the highest power scores in the beer industry.

Localisation

We are driving market penetration through localisation and price index correction of 2 premium brands of Corona and Hoegaarden. The sale of locally produced Corona and Hoegaarden has already begun across the country in 2020-21

7 Human Resource

At AB InBev India, we believe that our people have helped us carve out a niche in this fast-paced business environment and it's because of our people that we are one of the leading and most admired brewers in the world. We continuously invest in recruiting, developing and engaging top talent. Our philosophy of high performance and high engagement is built around encouraging ownership amongst our people and rewarding leadership behaviours. As an organisation we are anchored on meritocracy and display of results. Our Talent philosophy builds on the foundation of on-boarding our talent, retaining our key contributors and ensuring continuous dialogue on performance.

Our offices and breweries are connected through technology to truly leverage digitization for teamwork. Good people management gives AB InBev a distinct advantage over our competitors by ensuring that we have the right people, in the right jobs, with the right competencies and behaviours to deliver our business strategy.

Leadership capability development was a key theme this year and we enabled the same through multiple initiatives. Employees were trained on important trainings like White Belt Training, Leadership and functional trainings to equip them better.

We also have a Global Management Trainee Program, the flagship trainee program which focuses on getting the right talent form the top B-Schools in the country and setting them up for fast progression in the company.

We also introduced India Talent Pool, Sales Visionary program and Supply Management Trainee program on the same lines to attract top talent and build their competency in functional fields.

8. Subsidiaries, Joint Venture and Associate Companies

During the year under review your Company has no new Subsidiary, Joint Venture or Associate Company.

9. Change in Nature of Business, if any

There is no change in nature of Business of Company.

10. Transfer to reserves in terms of section 134 (3) (j) of The Companies Act, 2013

Due to losses during the year, the Company has not transferred or proposes to carry any amount to General Reserve Account during the financial year 2018-19.

11. Board Meetings

During the financial year under review, the Board of Directors met 6 times i.e., April 11, 2019, July 02, 2019, October 17, 2019, November 22, 2019, December 20, 2019 and February 13, 2020.

12. Directors

Mr. Gagandeep Singh Sethi and Mr. Ben Magda J Verhaert are the Whole Time Director of the Company as of March 31, 2020.

Report of Board of Directors (Contd.)

Mr. Gagandeep Singh Sethi resigned as the Whole Time Director of the Company on February 28, 2021 and Mr. Ben Magda J Verhaert resigned as the Whole Time Director of the Company on September 4, 2021

Ms. Sapna Taneja continues to be the Independent Director of the Company

Mr. Arun Monappa resigned from position of Independent Director of the Company on July 29, 2020.

Ms. Rashmi Mittal was appointed as the Independent Director of the Company on July 29, 2020.

Mr. Kartikeya Sharma was appointed as the Whole Time Director of the Company on September 4, 2020

Mr. Mahesh Kumar Mittal was appointed as the Whole Time Director of the Company on March 1, 2021

13. Key Managerial Personnel

Mr. Naveen Jain has resigned from the position of Company Secretary in April 18, 2019.

Ms. Nishi VijayVargiya has been appointed as Company Secretary on October 17, 2019.

Ms. Nishi VijayVargiya resigned from the position of Company Secretary on August 28, 2021 and the Company is in the process of filling up the vacancy within the prescribed time limit as per the Companies Act, 2013.

14. Declaration by Independent Director

Declaration given by Independent Directors, meeting the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 is received and taken on record.

15. Directors' appointment and remuneration policy

The Company has adopted a policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178.

16. Composition of Audit Committee The members of the Audit Committee as of March 31, 2020 were Mr. Gagandeep Singh Sethi who is the Whole-time Director of the Company, Mr. Arun Monappa and Ms. Sapna Taneja who are the Independent Directors of the Company.

Subsequent to the changes in the composition of the Board of Directors, the present composition of the Audit Committee is reported as below

Name	Designation
Mr. Mahesh Kumar Mittal	Whole Time Director
Ms. Rashmi Sharma	Independent Director
Ms. Sapna Taneja	Independent Director

17. Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee as of March 31, 2020 are Mr. Gagandeep Singh Sethi who is the Whole-time Director of the Company, Mr. Arun Monappa and Ms. Sapna Taneja who are the Independent Directors of the Company.

Subsequent to the changes in the composition of the Board of Directors, the present composition of the Nomination and Remuneration Committee is reported as below

Name	Designation
Mr. Mahesh Kumar Mittal	Whole Time Director
Ms. Rashmi Sharma	Independent Director
Ms. Sapna Taneja	Independent Director

18. Vigil Mechanism

The company has an adequate and functional vigil mechanism and ensures that the interests of a person who uses such mechanism are not prejudicially affected on account of such use.

19. Disclosure as required under section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has already adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace as per the Act and has also constituted Internal Complaints Committees to inquire into complaints of sexual harassment and recommend appropriate action. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

Report of Board of Directors (Contd.)

The following is a summary of sexual harassment complaints received and disposed of during the year:

- No. of complaints received – 1
- No. of complaints disposed off – 1
- No. of cases pending for more than 90 days – 1

20. Transfer of Amounts to Investor Education and Protection Fund

The Company did not have any funds lying unpaid or unclaimed since Incorporation. Therefore, no funds were required to be transferred to Investor Education and Protection Fund (IEPF).

21. Directors' Responsibility Statement

In pursuance of Section 134(5) of the Companies Act, 2013, the Directors hereby confirm that:

1. In the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit and loss of the company for that period.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the annual accounts on a going concern basis and
5. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

22. Extract of Annual Return

Pursuant to section 92(3) of the Companies Act, 2013 the company shall place the Annual Return on the web address, if any, of the Company.

23. Auditors

M/s. Price Waterhouse & Co Chartered Accountants LLP (Firm registration no. 304026E/ E-300009) appointed as Statutory Auditors of the Company at the Annual General Meeting held on September 30, 2020 for a period of five years i.e., to hold office till the conclusion of 35th Annual General Meeting i.e. up to the financial year ending March 31, 2024,

Report of Board of Directors (Contd.)

As required under section 134 of the Companies Act, 2013, the explanation of your Directors to the qualification made by the auditors in the Auditors' Report are as follows:

S. No.	Qualification	Board's Explanation
1.	Non-Compliances with Section 92, 96, 129 and 137 of Companies Act, 2013	Due to the global outbreak of Coronavirus Pandemic 2019, the instability caused by a prolonged shutdown, supply chain disruptions, shifting regulations when resuming work had a major negative impact n the Business operations. As a result the Company experienced major changes and commitments, which resulted in delays in conducting the statutory audit for the year and subsequent holding of meetings of board, shareholders, financial statement adoptions and filing of of Annual Returns & Annual Audited Financial Statement with MCA within the stipulated time as per the Companies Act 2013. However, in this regard the management of the Company is in the process of making necessary application of compounding / adjudication to regularise the offences of non-conducting Annual General Meeting ("AGM") and non-filing of Annual Returns & Annual Audited Financial Statement of the Company for the financial years ended March 31, 2018, March 31 2019, March 31 2020 within the stipulated time.
2.	Non- Compliance with Provisions of Section 149 read with Schedule IV, Sections 135, 177 and 178 of the Act and rules made thereunder and other related provisions.	The Company is in non-compliance with the provisions of Section 149 of the Companies Act 2013 by appointing Mr. Arun Monappa as its independent director for the third term and consequently, with the provisions of Section 135, 177, 178 and other related section of the Companies Act, 2013. During the year 2019-20, the Company has regularized the offence by appointing of Ms. Rashmi Sharma as an Independent Director on July 29, 2020 in place of Mr. Monappa. The resignation of Mr. Arun Monappa was accepted from the position of Independent Director on the same date. The management is in the process of remediating the aforesaid non-compliant provisions of the Companies Act 2013 by exploring the option of compounding.
3.	Non- Compliance with Provisions of the Act and rules made thereunder - regarding of retirement of directors by rotation at every annual general meeting. - non-compliance with the requirements of Section 108 of the Act with in respect of issuance of public notices in newspapers for providing e-voting facilities to the members at the AGM - filing of requisite forms (MGT -14) relating to certain resolutions with the Registrar of Company - non-compliance with certain secretarial standards with respect to general and Board meetings as specified under Section 118 of the Act.	The Company has taken note of all the non-compliance with reference to the various provisions of the Companies Act 2013 and has put in compliance tracker to avoid such non-compliance in future. The management is in the process of remediating the aforesaid non-compliant provisions of the Companies Act 2013 by exploring the option of compounding. With reference to the non-filing of requisite forms in MGT-14 the Company had filed petitions of condonation of delay with the Central Government in e-forms CG–1. The Company procured orders of condonation of delay from CG and submitted the same with the Registrar of Companies in e-forms INC–28. After e-forms INC - 28 approved by the Registrar of Companies, the Company have submitted e-forms MGT -14 for all 12 matters under consideration. All twelve (12) e-forms MGT - 14 submitted with the Registrar of Companies are approved and the offences pertain to (12) matters are condoned and regularized.

Report of Board of Directors (Contd.)

4	Loan granted to Related Party prejudicial to the interests of the Company	The related party to whom the loan has been extended has a support letter from the Ultimate Holding Company confirming financial and other support that will be available to the fellow subsidiary to settle its obligations as they arise. Based on the evaluation of the financial positions of the said fellow subsidiary, the Company believes that the receivable balance is good and fully recoverable.
5	Provision for obsolete stock	The provision required is determined based on the amounts as communicated by Brewery Finance manager, identified on the basis of physical inspection during the course of the perpetual inventory management process as well as on the basis of the estimated value of rejections expected to be received from the state bodies. Based on this method, provision for obsolete stock is recorded in our books.
6.	Fixed Asset – a. Maintenance of records b. Fixed Assets physical verification c. Maintenance of land records	a) & c) The Company is taking precautions and is currently initiating remedial actions to mitigate deficiencies highlighted in the audit report including categorizing all data, including particulars, situation, qualitative details of fixed assets. b) Due to the global outbreak of Covid-19 and instability caused by a prolonged shutdown, the Company could not conduct physical verification of fixed assets as per fixed asset policy. The Company is in the process of devising a plan to conduct physical verification of its fixed assets in the upcoming period.
d	Managerial Remuneration	The Company has paid managerial remuneration exceeding the limits prescribed in the provisions of Section 197 of the Companies Act 2013 The Company is in the process of regularizing this contravention by approving the excess remuneration in the ensuing annual general meeting
7.	Disclaimer of opinion on the Internal Financial Controls with reference to section 143 (3) (i) of the Act	The Board takes note of the weakness/ gaps identified by the auditors resulting in non-adherence to the criteria based on or considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI. The Company is in the process of improving procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies and the safeguarding of its assets, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures in accordance with the recommendation received from the statutory auditors during the course of the audit.

24. Secretarial Audit

Pursuant to the provisions of Section 204(1) of the Companies Act, 2013, the Secretarial Audit Report of M/s. Parikh & Associates, Practicing Company Secretary is annexed to this report.

The Secretarial Audit Report contains few qualifications and reservations on the report regarding appointment of independent directors, composition of the board and committees, remuneration of the directors and convening of Annual General Meetings. The Company has rectified the non-compliances relating to appointment of board and is further exploring the option of condonation of the other issues identified.

25. Details of significant and material orders passed by the regulators or courts impacting the going concern status and company's operations in future pursuant to Rule 8(5)(vii) of Companies (Accounts) Rules, 201425. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

There were no instances of any significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

Report of Board of Directors (Contd.)

26. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

(A) Conservation of energy

(i) the steps taken or impact on conservation of energy;	1. Developed 3R program (Responsibility, Resource, Reward) to encourage shop floor personals to involve in process and provide ideas to conserve energy in day to day operations 2. Implemented various energy improvement initiatives, like Condensate recovery Improvement in Steam Systems, Vapor Heat recovery systems & Optimized Boiling technologies to reduce Energy consumption in Brewing, Base load reduction, Dynamic load management with Variable Speed Drives on refrigeration & Air Compressors and Bio gas usage in Boiler are done on a continuous basis. 3. Celebrated World Water day and Energy Conservation day to emphasis importance of it to the business and along with opportunities identification and closures. 4. Effective usage of Upgraded benchmarking tools like SWEEP (Site Water Energy Efficiency Planner) and Energy & Fluid modulation toolkit to identify the gaps and opportunities in Energy consumption globally and optimise the process across by embracing the best practice and shared learning from the breweries across the globe. 5. Assessment of Natural Resource block having importance task list to focus on strategy of zero waste under environment pillar of VPO (Voyager Plant Optimisation) continuous improvement system 6. Focussing on 1YP (1 year plan) CapEx projects for Energy & Fluids consumptions reduction. 7. Implementation of Good Operations Practices (GOPS) to benchmark our Energy consumptions for each & every equipment & process. 8. Implemented new Initiatives like Energy Efficient Motors, Advanced Cooling tower fan, Variable speed drives & automations at sites to reduce the overall Energy consumptions.
(ii) the steps taken by the company for utilising alternate sources of energy	SPR brewery (Mysore), PALS brewery (Aurangabad) & Crown brewery (Telangana) is using 75%+, 13%+, 18%+ of electricity respectively from renewable sources Offsite or onsite solar. Power purchase Agreements signed for onsite solar project implementations at HBL brewery (Haryana), CBL brewery (Telangana).
(iii) the capital investment on energy conservation equipments;	-

Report of Board of Directors (Contd.)

(B) Technology absorption

(i) the efforts made towards technology absorption;	The Company has not acquired any technology from third parties for its production process. The company uses its own technologies, process and methods. Regular reviews of investments for energy improvement initiatives. For example, Condensate recovery Improvement in Steam Systems, Vapor Heat recovery systems & Optimized Boiling methodologies to reduce Energy consumption in Brewing, Base load reduction, Dynamic load management with Variable Speed Drives on refrigeration & Air Compressors and Biogas usage in Boiler are done on a continuous basis. Such investments are made at appropriate times after a thorough review of benefits, costs, existing practices and people capabilities.
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;	It has given more robust operation controls for our equipment and savings in cost.
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) a. the details of technology imported; b. the year of import; c. whether the technology been fully absorbed; d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	The company has not made any purchases of technology or made The Company has not made any purchases of technology or made payments towards transfer of technology during the year under review.
(iv) the expenditure incurred on Research and Development.	The Company has not incurred any expenditure on Research and Development

(C) Foreign exchange earnings and Outgo

During the year, the company has earned INR 80.47 Crores in foreign exchange.

27. Details relating to Deposits

During the year, the Company has not accepted any public deposits as defined in the Companies (Acceptance of Deposits) Rules, 2014.

28. Corporate Social Responsibility Policy

The Company has not made any profits during the last several years including last three financial years and as such spending of 2% of profits of the Company does not arise. However, as a good corporate citizen, the Company is carrying out CSR activities suo moto in some of the areas. The Company has formed the Corporate Social Responsibility Committee consisting of the following members

Name	Designation
Mr. Mahesh Kumar Mittal	Whole Time Director
Ms. Rashmi Sharma	Independent Director
Ms. Sapna Taneja	Independent Director

Report of Board of Directors (Contd.)

29. Compliance & Risk Management Policy

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, evaluate controls and to monitor these risks. Risk management policies and work plan are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's Board of Directors monitors defines the structure of the Company's risk management team, its operating budget and the annual scheduling of audits. The Board of Directors is assisted in its oversight role by internal audit (now known as the Global Risk Management ("GRM") team). GRM undertakes both regular and ad-hoc reviews of controls and procedures, the results of which are reported to the Board of Directors.

30. Particulars of loans, guarantees or investments

Pursuant to the provisions of Section 186 of the Companies Act, 2013, the Company has given loan of INR. 2 millions to Anheuser Busch InBev Breweries Private Limited (formerly known as SABMiller Breweries Private Limited) and loan of INR 145 millions to SKOL Global Business Services Private Limited.

31. Related Party Transactions

Disclosure of particulars of Contracts/Arrangements entered into by the Company with Related Parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 are annexed to this Report in Form AOC-2.

32. Shares

AUTHORIZED SHARE CAPITAL

The Authorised Share Capital of the Company is INR 15,000,000,000/- (INR One thousand five hundred crores) divided into 1,500,000,000 equity shares of INR10/- each.

PAID-UP SHARE CAPITAL

The paid-up share capital of the Company as on date of this Report is INR 6,165,778,780/- (INR Six hundred sixteen crores fifty seven lakhs seventy eight thousand seven hundred and eighty only) divided into 616,577,878 equity shares of INR 10/- (INR Ten Only) each.

33. Formal Annual Evaluation of Board performance

The Board evaluated its performance and that of the Committees and of individual directors by seeking their inputs on various aspects of functioning of the Board, the Committees and the individual directors.

Various attributes were taken into consideration in the evaluation including Board composition and quality, Board strategy and risk management, Board and Management relations, Directors obligation on participation at the Board meetings, knowledge and skill, personal attributes and implementation of corporate governance practices.

The inputs shared by the Directors were considered and discussed at the meeting of the Board, meeting of Directors other than Independent Directors and Nomination and Remuneration Committee. Further, the Independent Directors held a separate meeting in which they reviewed the performance of Board and of Non-Executive Directors.

34. INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Company is in the process of improving procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies and the safeguarding of its assets, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures in accordance with the recommendation received from the statutory auditors during the course of the audit.

Report of Board of Directors (Contd.)

35. OTHER DISCLOSURES

a. **Details of equity shares with differential voting rights in terms of Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014**

The Company's employees are eligible to be granted options / shares and other stock based awards of Anheuser Busch InBev NV/ SA, the Ultimate Holding Company under various equity-settled share-based compensation plans. As per Ind AS 102 Share Based Payments, the Company is required to record fair value of the shares granted to the employees of the Company.

b. **Details of Sweat equity shares in terms of Rule 8(13) of the Companies (Share Capital and Debentures) Rules, 2014**

During the review, the Company has not issued any sweat equity shares and hence this point is not applicable.

c. **Detailed reasons for revision of financial statements and report of the Board in terms of Section 131(1) of the Companies Act, 2013**

The Company was not required to revise its financial statements or report of the Board and hence this point is not applicable

d. **Details of payment of commission from subsidiaries in terms of Section 197(14) of The Companies Act, 2013**

The Company does not have subsidiaries and hence this point is not applicable.

Acknowledgement

Your Directors wish to place on record their sincere appreciation for contribution made by the employees at all levels. The Directors would also like to acknowledge the continued support extended by Bankers, Distributors, Shareholders, Customers and Suppliers.

FOR AND ON BEHALF OF THE BOARD

Mahesh Kumar Mittal
Director

Kartikeya Sharma
Director

Place: Bangalore
Date: December 27, 2021

Secretarial Audit Report

The Members
ANHEUSER BUSCH INBEV INDIA LIMITED
(Formerly, SABMiller India Limited),
Mumbai - 400059

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to corporate practices by Anheuser Busch Inbev India Limited (Formerly known as SABMiller India Limited) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon

BWe have examined the books, papers, minute books, forms and returns filed and other records made available to us electronically and maintained by the Company for the financial year ended on 31st March, 2020, and the information to the extent provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by The Ministry of Corporate Affairs warranted due to the spread of the COVID-19 pandemic, according to the applicable provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The Company being an unlisted Company the provisions of the Securities and Exchange Board of India Act, 1992 are not applicable.

(vi) Other laws specifically applicable to the Company as per the representations made by the Company.

1) Food Safety and Standards Act, 2006 and applicable rules and regulations made thereunder;
2) Legal Metrology Act, 2009 and rules made thereunder;
3) The Environment Protection Act, 1986 and rules made thereunder;
4) The Water (Prevention & Control of Pollution) Act, 1974;
5) The Air (Prevention & Control of Pollution) Act, 1981;
6) The Factories Act, 1948 and rules made thereunder;
7) All other Labour, employee and Industrial Laws to the extent applicable to the Company;
8) Various State Excise Laws relating to alcohol and related industry.

In absence of information, we are unable to comment on the above mentioned other laws specifically applicable to the Company. However, as informed the Company has received various show cause notices under other laws.

We have also examined compliance with the Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

During the period under review and as per the explanations given and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, secretarial standards etc. mentioned above except compliances in respect of the following

i. Provisions of Section 149 read with Schedule IV with respect to appointment of Independent Directors and Composition of Board of Directors and the committees required to be constituted pursuant to the provisions of Sections 135, 177 and 178 of the Act and rules made thereunder and other related provisions.

ii. Provisions of Section 96, 129, 134, 137 and the rules made thereunder in respect of approval of audited financial statements, Boards' Report and convening of Annual General Meeting for the financial year ended 31st March, 2019.

Secretarial Audit Report (Contd.)

iii. There is a gap of more than fifteen months between two AGM's (i.e. AGM held for FY 2016-2017 held on December 28, 2017 and FY 2017-2018 held on May 13, 2019) which is not in compliance of Section 96 of the Act and rules made thereunder.

iv. Provisions of Section 108 of the Act read with Rule 20 of The Companies (Management and Administration) Rules, 2014 as amended in respect of issuance of public notices in newspapers for providing e-voting facilities to the members at the Annual General Meetings held on May 13, 2019.

v. Provisions of Section 196, 197 read with Schedule V of the Companies Act, 2013 in respect of appointment and payment of remuneration of Mr. Ben Magda J Verhaert, Whole-time Director.

vi. Provisions of Section 152 (6) of the Companies Act, 2013 in respect of retirement of directors by rotation at every annual general meeting.

Continuation Sheet

vii. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

viii. Non-filing of the related forms and returns with Ministry of Corporate Affairs.

We further report that:

The Board of Directors of the Company, subject to above observations, is constituted with Director, Executive Directors and one Independent Director. There have been no changes in the composition of the Board of Directors during the period under review.

In absence of information we are unable to comment whether Notices, agenda and detailed notes on agenda were given to all directors to schedule the Board Meetings and whether the Board Meetings were properly convened and held.

Decisions at the Meetings of the Board of Directors and of the Committees thereof were taken with requisite majority.

In view of what is stated herein above, we further report that the systems and processes in the Company are required to be strengthened to commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines etc. and adherence to good corporate practices.

Subject to what is stated hereinabove, we further report that during the audit period the

following events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

1. The Company has issued and allotted 208,000,000 equity shares of Rs. 10/- each on private placement cum preferential basis at an issue price of Rs. 51.10 per share.

For Parikh & Associates
Company Secretaries

Place: Mumbai
Date: December 27, 2021

Signature:

J.U.Poojari
Partner

FCS No: 8102 CP No: 8187

UDIN No. F008102C001947303

Peer Review No. 1129/2021

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

Secretarial Audit Report (Contd.)

'Annexure A'

To,

The Members
ANHEUSER BUSCH INBEV INDIA LIMITED
(Formerly known as SABMiller India Limited)

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates

Company Secretaries

Place: Mumbai

Date: December 27, 2021

Signature:

J.U.Poojari

Partner

FCS No: 8102 CP No: 8187

UDIN No. F008102C001947303

Peer Review No. 1129/2021

Independent Auditor's Report

To The Members of ANHEUSER BUSCH INBEV INDIA LIMITED

Report on the Audit of the Financial Statements

Qualified Opinion

1. We have audited the accompanying financial statements of Anheuser Busch InBev India Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and except for the indeterminate effects of the matter described in the Basis for Qualified Opinion section of our report, give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

3. We draw your attention to:

   (a) Note 48(a) to the financial statements regarding non-compliance with Sections 92, 96 ,129 and 137 of the Act as the financial statements for the year ended March 31, 2018, March 31, 2019 and March 31, 2020 were not laid before the shareholders in the Annual General Meeting held by the Company pursuant to timelines prescribed under the Act and consequentially there was a delay in filing annual returns and financial statements with the authorities.

   (b) Note 48(b) to the financial statements regarding non-compliance with Section 149 of the Act regarding appointment of Independent Directors and Composition of Board of Directors, Sections 135, 177 and 178 of the Act and rules made thereunder regarding composition of Corporate Social Responsibility Committee, Audit Committee and Nomination and Remuneration Committee of the Board respectively and Section 152 of the Act regarding of retirement of directors by rotation at every annual general meeting. We further draw attention to Note 48(c) to the financial statements regarding other non-compliances under the Act relating to e-voting for the members of the Company, filing of requisite forms as laid down in Note 48(d) and non-compliance with certain secretarial standards as stated in Note 48(e) to the financial statements.

   Any penalties that may be levied by the authorities on the matters stated in (a) and (b) above and impact, if any, on the financial statements are presently not ascertainable.

   (c) Note 6A(a) to the financial statements regarding loan amounting to INR 145 million granted to a related party during the year which may be prejudicial to the interests of the Company considering that the financial statements of the said related party are being drawn on liquidation basis and accordingly, the recoverability of the loan could not be ascertained.

   (d) Note 49 regarding the non-availability of sufficient and appropriate audit evidence in respect of provision created for slow/non-moving/ expired inventory, being raw materials, finished goods and stock in trade as at March 31, 2019 amounting to INR 185 million. The impact (if any) on the financial statements is presently not ascertainable.

   The impact of the aforementioned matters individually and in aggregate, is presently not ascertainable.

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

Emphasis of matter

5. We draw your attention to Note 50 to the financial statements which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. In view of the uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Further, our attendance at the physical inventory verification done by the Management was impracticable under the lockdown restrictions imposed by the Government and we have

Independent Auditor’s Report (Contd.)

therefore, relied on the alternative audit procedures to obtain comfort over the existence and condition of inventory at year end.

Our opinion is not modified in respect of this matter.

Other Information

6. The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Report of Board of Directors, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

7. The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company’s financial reporting process.

Auditor’s responsibilities for the audit of the financial statements

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

10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditor's Report (Contd.)

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

13. The financial statements of the Company for the year ended March 31, 2019, were audited by another firm of chartered accountants under the Act who, vide their report dated July 29, 2020, expressed a modified opinion on those financial statements.

Report on other legal and regulatory requirements

14. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

15. As required by Section 143(3) of the Act, to the extent applicable, we report that:

(a) We have sought and except for the indeterminate effects of the matters described in the Basis for Qualified Opinion section of our report, we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, except for the indeterminate effects of the matters referred to in the Basis for Qualified Opinion section of our report, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, except for the indeterminate effects of the matters referred to in the Basis for Qualified Opinion section of our report, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to maintenance of accounts and other matters, reference is made to our comments in paragraph 15(b) above.

(g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as at March 31, 2020 – Refer Note 29A and 17B to the financial statements;

ii. The Company has made provisions, as required under the applicable laws or accounting standards for material foreseeable losses, if any, on the long-term contracts including derivative contracts as at March 31, 2020;

Independent Auditor's Report (Contd.)

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020; and

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the **year ended March 31, 2020.**

16. As stated in the Note 48(f) to the financial statement, the Company has paid/ provided excess remuneration amounting to INR 36 million to a whole-time director which is subject to approval of shareholders by way of special resolution in the ensuing annual general meeting as required by Section 197 read with Schedule V to the Act.

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

Place: Bengaluru
Date:December 27, 2021

Amit Kumar Agrawal
Partner
Membership Number: 064311
UDIN: 21064311AAAACO4189

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 15(g) of the Independent Auditors' Report of even date to the members of Anheuser Busch InBev India Limited on the financial statements as of and for the year ended March 31, 2020)

Report on the Internal Financial Controls with reference to financial statements under Section 143(3)(i) of the Act

1. We were engaged to audit the internal financial controls with reference to financial statements of **Anheuser Busch InBev India Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit conducted in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI.

4. Because of the matter described in Basis for Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system with reference to financial statements of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

5. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Basis for Disclaimer of Opinion

6. According to the information and explanation given to us, the Company has not established its internal financial control with reference to financial statements on criteria based on or considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Disclaimer of Opinion

7. As described in the Basis for Disclaimer of Opinion paragraph above, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion on whether the Company had adequate internal financial controls with reference to financial statements and whether such internal financial controls were operating effectively as at March 31, 2020 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

8. We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company for the year ended March 31, 2020, and the disclaimer does not affect our opinion on the financial statements of the Company.

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

Place: Bengaluru
Date:December 27, 2021

Amit Kumar Agrawal
Partner
Membership Number: 064311
UDIN: 21064311AAAACO4189

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

(Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Anheuser Busch InBev India Limited on the financial statements as of and for the year ended March 31, 2020)

(i)

(a) Except for the differences in the gross block and accumulated depreciation of INR 542 million between the gross block and the accumulated depreciation/amortisation as per the Fixed Asset Register compared to the gross block and the accumulated depreciation/amortisation as per Note 4A and 4D to the financial statements, the Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment. Also, refer Note 4A(vii) to the financial statements.

(b) The property, plant and equipment of the Company have not been physically verified by the Management during the year. Accordingly, the discrepancies, if any, could not be ascertained and therefore, we are unable to comment on whether the discrepancies, if any have been properly dealt with in the books of account. Also, refer Note 4A(iii) to the financial statements.

(c) The title deeds of immovable properties, as disclosed in Note 4A (Property, plant and equipment) and 4B (Right-of-use assets) to the financial statements are held in the name of the companies which were amalgamated into the Company through various schemes approved by the courts in earlier years, however, for certain parcels of freehold land and leasehold land as disclosed below, the title deeds are currently not in the possession of the Company. Also, refer Note 4A(iv) to the financial statements.

Name	Freehold land	**Leasehold land**
Number of properties	2	**1**
Gross carrying amount as at March 31, 2020	63	**8**
Net carrying amount as at March 31, 2020(INR million)	63	**6**

(ii) The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year or after the year end for certain categories of inventory where the count could not be performed in March 2020 in view of the lockdown consequent to the outbreak of Covid-19 pandemic. In respect of inventory lying with the third parties, these have substantially been confirmed by them/ reconciled. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

(iii) There are no companies covered in the register maintained under Section 189 of the Act for the purpose of loans granted by the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of the loans and investments made. The Company has not provided any guarantees or security to parties covered under Sections 185 and 186 of the Act.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under Section 148 (1) of the Act for any of the products of the Company.

(vii)

(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular is depositing undisputed statutory dues of provident fund, income tax (remittance of tax deducted at source and tax collected at source) and employees' state insurance, though there have been a slight delay in a few cases and is regular in depositing undisputed statutory dues in respect of sales tax, professional tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer Note 29A(c) to the financial statements regarding management's assessment on certain matters relating to provident fund.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of sales tax, value added tax, service tax, duty of customs, duty of excise and entry tax as at March 31, 2020 which have not been deposited on account of a dispute are disclosed in Appendix 1 to this report. There have been no dues of income tax and goods and services tax which have not been deposited on account of a dispute.

viii. According to the records of the Company examined by us and the information and explanations given to us,

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank. There are no loans from Government or dues to debenture holders as at the balance sheet date.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments). In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. As stated in the Note 48(f) to the financial statement, the Company has paid/ provided excess remuneration amounting to INR 36 million to a whole-time director which is subject to approval of shareholders by way of special resolution in the ensuing annual general meeting as required by Section 197 read with Schedule V to the Act. Also, refer paragraph 16 of our main audit report

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. Read with Note 48(g) to the financial statement, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has made private placement of equity shares during the year in compliance with the requirements of Section 42 of the Act. The amounts raised have been used for the purpose for which funds were raised.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Place: Bengaluru
Date:December 27, 2021

Amit Kumar Agrawal
Partner
Membership Number: 064311
UDIN: 21064311AAAACO4189

Appendix 1 to Annexure B to Independent Auditors' Report

Name of the statute	Nature of the dues	Disputed amount (in INR million)	Amounts paid under protest	Unpaid amount	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty and penalty	12	4	8	2009-10 to 2017-18	Central Excise and Service Tax Appellate Tribunal, Haryana
	Excise duty and penalty	2	-	2	2009-10 to 2017-18	Central Excise and Service Tax Appellate Tribunal, Kerala
	Excise duty and penalty	12	-	12	2009-10 to 2014-15	Central Excise and Service Tax Appellate Tribunal, Mumbai
	Excise duty and penalty	1	0	1	2011-12 to 2016-17	Central Excise and Service Tax Appellate Tribunal, Uttar Pradesh
	Excise duty and penalty	26	1	25	2009-10 to 2017-18	Central Excise and Service Tax Appellate Tribunal, Hyderabad
	Excise duty and penalty	7	0	7	2009-10 to 2015-16	Commissioner Appeals (Central Excise), Alwar
Finance Act, 1994	Service tax, interest and penalty	68	3	65	April 2008 to June 2016	Customs Excise and Service Tax Appellate Tribunal, Bhopal
	Service tax, interest and penalty	473	-	473	2009-10 to 2012-13	Bombay High Court and Customs, Excise and Service Tax Appellate Tribunal, Mumbai
	Service tax	651	-	651	2004-05 to 2016-17	Karnataka High Court
	Service tax and penalty	401	-	401	2005-06 to 2009-10	Customs Excise and Service Tax Appellate Tribunal, Bangalore
Customs Act, 1962	Customs duty	0	0	0	2007-08	Customs Excise and Service Tax Appellate Tribunal, Mumbai
Punjab Excise Act, 1914	State excise duty	14	3	11	1973-74 to 1990-91	Financial Commissioner, Haryana
Bihar and Orissa Excise Act, 1965	State excise duty	33	16	17	1988 - 89, 2001-02 to 2005-06	Orissa High Court

Appendix 1 to Annexure B to Independent Auditors' Report (Contd.)

Name of the statute	Nature of the dues	Disputed amount (in INR million)	Amounts paid under protest	Unpaid amount	Period to which the amount relates	Forum where dispute is pending
Bombay Prohibition Act, 1949	State excise duty	1	-	1	1983-84 to 1988-89	Bombay High Court
	State excise duty	1	-	1	2000-01	Commissioner of State Excise, Maharashtra
Orissa Sales Tax Act, 1947	Sales tax	93	82	11	1994-95 to 2000-01	Assistant Commissioner of Sales Tax, Orissa
Orissa Entry Tax Act, 1999	Entry tax	1	0	1	2000-01	Sales Tax Tribunal, Orissa
Delhi Sales Tax Act, 1975	Sales tax	1	-	1	2002-03	Assistant Commissioner of Commercial Taxes (Appeals), New Delhi
Bombay Sales Tax Act, 1959	Sales tax	3	1	2	1992-93	Trade Tax Tribunal, Maharashtra
		5	0	5	1995-96 and 1996-97	Sales Tax Tribunal, Maharashtra
Bombay Sales Tax Act, 1959 & Central Sales Tax Act, 1956	Sales tax	14	1	13	2001-02	Deputy Commissioner of Sales Tax (Appeal), Maharashtra
Pondicherry General Sales Act, 1967	Sales tax	12	2	10	1981-82 to 1984-85, 1997-98 to 1998-99	Assessing Authority, Pondicherry
Haryana Sales Tax Act, 1973	Sales tax	6	5	1	1989-90 to 2002-03	Punjab and Haryana High Court
The Madhya Pradesh Value Added Tax Act, 2002	Entry tax	1	0	1	2008-09	Additional Commissioner (Appeals), Gwalior
	Value added tax	5	2	3	2007-08 and 2009-10	M P Commercial Tax Appellate Board, Bhopal
Uttar Pradesh Tax on Entry of Goods Act, 2000	Entry tax	2	-	2	2005-06	Allahabad High Court
	Entry tax	1	-	1	2008-09	Additional Commissioner (Appeals), Meerut
Maharashtra Value Added Tax Act, 2005	Value added tax	4	3	1	2008-09	Maharashtra Sales Tax Tribunal, Maharashtra
		190	58	132	2005-06 to 2010-11 and 2013-14	Joint Commissioner (Appeals), Aurangabad

Appendix 1 to Annexure B to Independent Auditors' Report (Contd.)

Name of the statute	Nature of the dues	Disputed amount (in INR million)	Amounts paid under protest	Unpaid amount	Period to which the amount relates	Forum where dispute is pending
Andhra Pradesh Value Added Tax, 2005	Value added tax	23	3	20	2010-11 to 2012-13	Assistant Commissioner (CT) Audit, Hyderabad
West Bengal Value Added Tax Act, 2003	Value added tax	0	-	0	2009-10	Joint Commissioner of Commercial Tax, Kolkata
Karnataka Value added Tax, 2003	Entry tax	47	42	5	2006-07 to 2012-13	Joint Commissioner of Commercial tax (Appeals), Bengaluru
Haryana Local Area Development Tax Act, 2000	Local area development tax	10	-	10	2001-01 to 2003-04	Punjab and Haryana High Court
Central Sales Tax Act, 1956	Central sales tax	105	32	73	2013-2014	Joint Commissioner of Sales tax (Appeals), Aurangabad

Financial Statements

(All amounts in INR Millions unless otherwise stated)

Balance sheet

	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	4A	11,006	11,427
Right-of-use assets	4B	457	-
Capital work-in-progress	4C	1,581	541
Intangible assets	4D	1,104	1,220
Financial assets			
- Investments	5	-	-
- Loans	6A	296	237
- Other financial assets	7A	629	545
Current tax assets (net)	8	167	190
Other non-current assets	9A	902	913
Total non-current assets		16,142	15,073
Current assets			
Inventories	10	5,815	2,658
Financial assets			
- Trade receivables	11	4,388	5,837
- Cash and cash equivalents	12A	779	375
- Bank balances other than cash and cash equivalents	12B	14	-
- Loans	6B	14	10
- Other financial assets	7B	312	265
Other current assets	9B	917	1,253
Total current assets		**12,239**	**10,398**
Total assets		**28,381**	**25,471**
EQUITY AND LIABILITIES			
Equity			
Share capital	13	6,166	4,086
Other equity			
Reserves and surplus	14	450	(1,490)
Total equity		6,616	2,596
Liabilities			
Non-current liabilities			
Financial liabilities			
- Lease liabilities	4B	279	-
- Borrowings	15A	3,887	5,883
- Other financial liabilities	16A	10	19
Provisions	17A	203	148
Other non-current liabilities	18A	78	86
Total non-current liabilities		**4,457**	**6,136**
Current liabilities			
Financial liabilities			
- Borrowings	15B	2,500	4,001
- Lease liabilities	4B	127	-
- Trade payables			
(A) total outstanding dues of micro and small enterprises	19	262	122
(B) total outstanding dues of creditors other than micro and small enterprises	19	5,075	4,342
- Other financial liabilities	16B	5,672	5,684
Provisions	17B	1,974	1,400
Current tax liabilities (net)	20	-	55
Other current liabilities	18B	1,698	1,135
Total current liabilities		**17,308**	**16,739**
Total equity and liabilities		**28,381**	**25,471**

The above balance sheet should be read in conjunction with the accompanying notes.
As per our report of even date attached

For Price Waterhouse & Co
CharteredAccountants LLP
Firm registration number:
304026E/E-300009
Chartered Accountants

For and on behalf of the Board of Directors

Amit Kumar Agrawal
Partner
Membership number: 064311
Place: Bengaluru
Date: 27 December 2021

Sapna Taneja
Director
DIN: 07032173
Place: Bengaluru
Date: 27 December 2021

Kartikeya Sharma
Director
DIN: 07728620
Place: Bengaluru
Date: 27 December 2021

Mahesh Kumar Mittal
Director
DIN: 09071616
Place: Bengaluru
Date: 27 December 2021

Meeta Aggarwal
Chief Financial Officer
Place: Bengaluru
Date: 27 December 2021

Financial Statements (Contd.)

(All amounts in INR Millions unless otherwise stated)

Statement of Profit and Loss

	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Income			
Revenue from operations	21	33,545	31,672
Other income	22	430	309
Total income		**33,975**	**31,981**
Expenses			
Cost of material consumed	23A	9,964	7,882
Purchase of stock-in-trade		108	13
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23B	(1,416)	(518)
Excise duty expense		19,577	17,969
Employee benefits expense	24	2,051	1,417
Finance costs	25	1,387	884
Depreciation and amortisation expense	26	2,146	1,792
Others :			
Loss allowance on trade receivables and other financial assets (net)	43	934	94
Other expenses	27	6,052	5,494
Total expenses		**40,803**	**35,027**
Loss before tax		**(6,828)**	**(3,046)**
Tax expense:	28		
Current tax		-	-
'Current tax pertaining to earlier years		(55)	-
Deferred tax		-	-
		(55)	**-**
Loss for the year		**(6,773)**	**(3,046)**
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 defined benefit plan	34	(95)	(0)
(ii) Income tax relating to these items		-	-
Other comprehensive income for the year		**(95)**	**(0)**
Total comprehensive income for the year		**(6,868)**	**(3,046)**
Loss per equity share (par value: INR 10 each)			
- Basic and Diluted (In INR)	30	(15.27)	(7.46)

The above balance sheet should be read in conjunction with the accompanying notes.
As per our report of even date attached

For Price Waterhouse & Co
CharteredAccountants LLP
Firm registration number:
304026E/E-300009
Chartered Accountants

For and on behalf of the Board of Directors

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Meeta Aggarwal
Chief Financial Officer
Place: Bengaluru
Date: 27 December 2021

Financial Statements (Contd.)

(All amounts in INR Millions unless otherwise stated)

Statement of Cash Flows

	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
A.Cash flows from operating activities			
(Loss) before tax		(6,828)	(3,046)
Adjustments for:			
Depreciation and amortisation expense	26	2,146	1,792
Finance costs	25	1,387	884
Provision for indirect tax and other legal matters		72	-
Loss allowance on trade receivables and other financial assets (net)	43	934	94
Allowance for doubtful non-financial assets	27	228	-
Release of deferred government grants	22	(13)	(13)
Liabilities no longer required written back	22	(257)	(72)
Interest income on fixed deposits held at amortised cost	22	(27)	(10)
Interest income on loans to related parties	22	(6)	(0)
Unwinding of discount on security deposits	22	(2)	(2)
(Gain)/Loss on disposal of property, plant and equipment (net)	27	9	(2)
Income on reversal of provision	22	-	(140)
Unrealised foreign exchange difference		2	18
Employee stock option expense	24	271	264
Operating profit/(loss) before changes in working capital		**(2,084)**	**(234)**
Changes in working capital			
- (Increase) / decrease in loans		(40)	(25)
- (Increase) / decrease in other financial assets		211	(160)
- (Increase) / decrease in inventories		(3,157)	(527)
- (Increase) / decrease in trade receivables		826	(1,145)
- (Increase) / decrease in other assets		140	(737)
- Increase / (decrease) in other financial liabilities		(99)	158
- Increase / (decrease) in provisions		39	(20)
- Increase / (decrease) in trade payables		1,127	(423)
- Increase / (decrease) in other liabilities		567	264
Cash generated from / (used in) operations		**(2,470)**	**(2,849)**
Income taxes paid (net of refunds)		23	28
Cash generated from / (used in) operations [A]		**(2,447)**	**(2,821)**
B .Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(2,295)	(566)
Proceeds from sale of property, plant and equipment and intangible assets		-	31
Loans given to related parties		(145)	(0)
Interest received		30	0
Fixed deposits with bank (made)/ matured		(42)	48
Cash generated from / (used in) investing activities [B]		**(2,453)**	**(487)**

Financial Statements (Contd.)

(All amounts in INR Millions unless otherwise stated)

Statement of Cash Flows

	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
C.Cash flows from financing activities			
Proceeds from issue of shares		10,629	-
Share issue expenses		(11)	-
Principal element of lease payments		(110)	-
Interest paid on External Commercial Borrowings from related parties		(351)	(362)
Interest paid on External Commercial Borrowings from bank		(89)	(114)
Interest paid on Working capital loan and overdrafts from banks		(450)	(95)
Interest paid on term loans from related parties		(14)	(1)
Interest paid on currency swap contracts		(181)	(311)
Interest paid on lease liabilities		(32)	-
Interest paid - others		(12)	(2)
Repayment of External Commercial Borrowings from related party		-	(281)
Repayment of External Commercial Borrowings from Bank		(2,569)	-
Proceeds from/ (repayment of) term loans from related parties (net)		(2)	394
Proceeds from/ (repayment of) Working capital loan and overdrafts from banks (net)		(1,501)	3,701
Cash generated from / (used in) financing activities [C]		5,308	2,929
Net increase / (decrease) in cash and cash equivalents [A+B+C]		408	(379)
Cash and cash equivalents at the beginning of the year		375	758
Effect of exchange rate changes on cash and cash equivalents		(4)	(4)
Cash and cash equivalents at the end of the year		779	375

	As at 31 March 2020	As at 31 March 2019
Cash and cash equivalents as at the end of the year comprises of (note 12A):		
Balances with banks		
In current accounts	720	324
In exchange earners foreign currency account	59	51
Cash and cash equivalents at the end of the year	779	375
Note:		
Non-cash financing and investing activities		
- Acquisition of right-of-use assets	104	-

The above statement of cash flows should be read in conjunction with the accompanying notes.
As per our report of even date attached

For Price Waterhouse & Co CharteredAccountants LLP
Firm registration number: 304026E/E-300009
Chartered Accountants

For and on behalf of the Board of Directors

Amit Kumar Agrawal
Partner
Membership number: 064311
Place: Bengaluru
Date: 27 December 2021

Sapna Taneja
Director
DIN: 07032173
Place: Bengaluru
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DIN: 09071616
Place: Bengaluru
Date: 27 December 2021

Meeta Aggarwal
Chief Financial Officer
Place: Bengaluru
Date: 27 December 2021

Financial Statements (Contd.)

(All amounts in INR Millions unless otherwise stated)

Statement of Changes in Equity for the year ended 31 March 2020

A. Equity share capital

(INR Millions)

Particulars	Note	Amount
Balance as at 1 April 2018		4,086
Changes in equity share capital	13	-
Balance as at 31 March 2019		4,086
Changes in equity share capital	13	2,080
Balance as at 31 March 2020		6,166

B. Other Equity

(INR Millions)

Particulars	Note	Reserves and Surplus						Total
		Securities premium	Capital reserve	Amalgamation adjustment reserve/ (deficit) account	General reserve	Equity contribution by parent company in the form of ESOP	Retained earnings	
Balance as at 1 April 2018	**14**	13,966	(19)	(1,030)	1,218	620	(13,464)	1,292
Loss for the year		-	-	-	-	-	(3,046)	(3,046)
Other comprehensive income		-	-	-	-	-	(0)	(0)
Total comprehensive income for the year		-	-	-	-	-	(3,046)	(3,046)
Transactions with owners in their capacity as owners:								
ESOP expense for the year		-	-	-	-	264	-	264
Balance as at 31 March 2019	**14**	13,966	(19)	(1,030)	1,218	884	(16,510)	(1,490)
Loss for the year		-	-	-	-	-	(6,773)	(6,773)
Other comprehensive income		-	-	-	-	-	(95)	(95)
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**-**	**(6,868)**	**(6,868)**
Transactions with owners in their capacity as owners:								
Issue of equity shares for cash		8,549	-	-	-	-	-	8,549
Amount utilised for share issue expenses		(11)	-	-	-	-	-	(11)
ESOP expense for the year		-	-	-	-	271	-	271
Balance as at 31 March 2020	14	22,504	(19)	(1,030)	1,218	1,155	(23,378)	450

The above statement of changes in equity should be read in conjunction with accompanying notes.
As per our report of even date attached

For Price Waterhouse & Co CharteredAccountants LLP
Firm registration number:
304026E/E-300009
Chartered Accountants

For and on behalf of the Board of Directors

Amit Kumar Agrawal
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Director
DIN: 09071616
Place: Bengaluru
Date: 27 December 2021

Meeta Aggarwal
Chief Financial Officer
Place: Bengaluru
Date: 27 December 2021

Notes to the Financial Statements as of and for the year ended 31 March 2020

1 Company background

Anheuser Busch Inbev India Limited ("the Company") was incorporated under the Companies Act, 1956 on 18 November 1988. The registered office of the Company is at Unit No. 301-302, Dynasty Business Park, B-wing, Third Floor, Andheri Kurla Road, Andheri East, Mumbai, Maharashtra 400059. The Company is primarily engaged in the business of brewing, packaging distribution, marketing and sale of beer and non-alocoholic beverages and has manufacturing facilities in various states across India.

These financial statements are approved for issue by the Company's Board of Directors on 27 December 2021.

2 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation and presentation

(i) Compliance with Ind AS

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Indian Accounting Standards) Rules, 2015, as amended] and other relevant provisions of the Act.

(ii) Historical cost convention

"These financial statements have been prepared on a historical cost basis, except for the following:

- defined benefits plans – plan assets is measured at fair value; and
- equity contribution by parent company in the form of ESOP measured at fair value
- certain financial assets and financial liabilities measured at fair value

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Act. Based on the nature of products and the time between the acquisition of asset for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current / non – current classification of assets and liabilities."

(iii) New and amended standards adopted by the Company

"The Company has applied the following standards and amendments for the first time for its annual reporting period commencing 1 April 2019:

- Ind AS 116, Leases
- Long-term interests in Associates and Joint-ventures – Amendments to Ind AS 28, Investments in associates and Joint-Ventures *
- Prepayment Features with Negative Compensation – Amendments to Ind AS 109, Financial Instruments.*
- Uncertainty over Income Tax Treatments – Appendix C to Ind AS 12, Income Taxes*
- Plan Amendment, Curtailment or Settlement – Amendments to Ind AS 19, Employee Benefits*
- Amendment to Ind AS 103, Business Combinations*
- Amendment to Ind AS 111, Joint Arrangements*
- Amendment to Ind AS 23, Borrowing Costs*

* There has been no impact on adoption of these new standards or amendments on the financial statements.

The Company changed its accounting policy in respect of lease accounting during the year, following the mandatory adoption of Ind AS 116. The impact of this is disclosed in note 31A."

(iv) Going concern

"The Company has been incurring losses and its net worth has eroded to the extent of accumulated losses amounting to INR 23,378 million (31 March 2019: INR 16,510 million). Management is taking steps to make the operations profitable and has further received a letter from AB InBev Asia BV, the Holding Company confirming financial and other support that will be available to the Company to settle its obligations as they arise and to continue in operations. During the year, the Company has received additional equity infusion from the Holding

Notes to the Financial Statements as of and for the year ended 31 March 2020

Company amounting to INR 10,629 million to meet its business expansion/working capital needs. Further, subsequent to the year end, the Company has issued additional equity shares aggregating to INR 13,395 million as described in Note 52.

Accordingly, these financial statements have been prepared on a going concern basis, notwithstanding accumulated losses and reliance on short term borrowings, due to the financial and other support from AB InBev Asia BV, the Holding Company, as is necessary to continue its operations for the period of 12 months from the reporting date and thereafter in the foreseeable future and the projected cash flows.

2.2 Foreign currency translation

Functional and presentation currency

The financial statements are presented in Indian Rupee (INR), which is company's functional and presentation currency. All amounts have been rounded off to the nearest millions, unless otherwise indicated.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the Statement of profit and loss

Foreign exchange differences arising from foreign currency borrowings equivalent to the extent to which the exchange loss does not exceed the difference between the cost of borrowing in functional currency when compared to the cost of borrowing in a foreign currency are regarded as finance costs. For the purpose of presentation, all exchange differences on foreign currency borrowings are included within 'finance costs'.

2.3 Revenue recognition

Revenue comprises revenue from contracts with customers for sale of goods and services. Revenue from sale of goods is inclusive of excise duties and is net of returns, trade allowances, rebates, value added taxes, goods and services tax (GST) and such amounts collected on behalf of third parties.

Revenue is recognised as and when performance obligations are satisfied by transferring goods or services to the customer, as below:

Revenue from sale of products (including Sale of spent malt, raw materials and packing materials and scrap):

Revenue is recognised on transfer of control, being on dispatch of goods or upon sale to retailers/distributors, in accordance with the terms of sale.

Revenue from manufacture and sale of products from contract bottling arrangements

The Company has entered into arrangements with Contract Bottlers (CBUs), where-in CBUs manufacture and sell Beer on behalf of the Company. Under such arrangements, the Company has exposure to significant risks and rewards associated with the sale of products i.e. it has the primary responsibility for providing goods to the customer, has pricing latitude and is also exposed to inventory of finished goods and credit risks. Accordingly, the transactions of the CBUs under such arrangements have been recorded as gross revenue, excise duty and expenses as if they were transactions of the Company. The Company also presents inventory under such arrangements as its own inventory. The net receivables from/ payable to CBUs are recognised under other financial assets/ other financial liabilities respectively.

Royalty Income

Revenue in respect of royalty income arrangements is recognised proportionately in each period. Income from royalty arrangements is recognised based on the terms of the respective contracts upon sale of products by the parties.

2.4 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to revenue, it is recognised in the Statement of Profit and Loss on a systematic basis over the periods to which they relate. When the grant relates to an asset, it is treated as deferred income and recognised in the Statement of Profit and Loss on a systematic basis over the useful life of the related property, plant and equipment.

Notes to the Financial Statements as of and for the year ended 31 March 2020

2.5 Income taxes

Income tax expense is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from initial recognition of goodwill. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in Statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.6 Leases

Till 31 March 2019:

As a Lessee

Leases in which a significant portion of the risks and rewards of ownership were not transferred to the Company as lessee were classified as operating leases up to 31 March 2019. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

With effective from 1 April 2019:

As a lessee

From 1 April 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments)
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being

Notes to the Financial Statements as of and for the year ended 31 March 2020

the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing as a starting point, adjusted to reflect changes in financing conditions since third party financing was received; and

- makes adjustments specific to the lease, e.g. term and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period."

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received, and

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and low value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflation.

2.7 Property, plant and equipment

Freehold land is carried at historical cost less impairment, if any. All other items of property, plant and equipment are stated at historical cost less depreciation, and impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All expenses in the nature of repairs and maintenance are charged to Statement of profit and loss during the reporting period in which they are incurred.

The cost of property, plant and equipment which are not ready for their intended use at the balance sheet date, are disclosed as capital work-in-progress.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight line method as per the estimated useful lives of assets as below:

Asset	Useful life (in years)
Buildings	10-30
Plant and equipment	3-20
Computers	3-5
Furniture and fixtures	6
Office equipment	6
Vehicles	8

Leasehold land is amortized over the lease term. Leasehold improvements are depreciated over the lower of useful life or lease term unless the Company expects to use the assets beyond the lease term.

Notes to the Financial Statements as of and for the year ended 31 March 2020

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on internal assessment and supported by technical advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Disposals

Gains and losses on disposals are determined by comparing proceeds with the carrying amounts. These are accounted in Statement of profit and loss within Other gains/losses, on a net basis.

2.8 Intangible assets

Recognition and measurement

Brands
Brands acquired are carried at cost less accumulated amortisation and impairment losses, if any.

Computer software

Computer software acquired are carried at cost less accumulated amortisation and impairment losses, if any. Costs associated with maintaining software programs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of customised computer software applications are recognised as intangible assets under development or intangible assets when the following criteria are met:

a) it is technically feasible to complete the software so that it will be available for use,

b) there is an ability to use or sell the software,

c) it can be demonstrated that the software will generate probable future economic benefits,

d) adequate technical, financial and other resources to complete the development and to use the software are available, and

e) the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the customised computer software applications include employee costs and other directly attributable costs and are amortised from the point at which the software asset is available for use.

Research and development costs

Research costs are expensed as incurred. Product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the product and the costs can be measured reliably.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit or Loss when the asset is derecognised.

Amortisation method and useful lives

The Company amortises intangible assets with finite useful life using the straight-line method over their estimated useful lives as follows:

Asset	Useful life (in years)
Brands	20
Computer Software	4

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

2.9 Impairment of assets

Assets are tested for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Notes to the Financial Statements as of and for the year ended 31 March 2020

2.10 Inventories

Inventories which comprise raw materials, work-in-progress (intermediates), finished goods, stock-in-trade, packing materials and stores and spares are carried at the lower of cost and net realisable value. Cost of inventories comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost of inventories, First-in -first out ('FIFO) cost method is used. In case of manufactured finished goods and work-in-progress, fixed production overheads are allocated on the basis of normal capacity of production facilities while the variable prodcution overheads are allocated on actuals. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis. Adequate allowance is made for expired, obsolete and slow moving items.

2.11 Cash and cash equivalents

Cash and cash equivalents includes cash on hand and balances with banks that are readily convertible to known amounts of cash and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.12 Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and performance incentives that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services rendered up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented under 'Other financial liabilities' in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for compensated absences are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields of government bonds at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of profit and loss.

(iii) Post-employment obligations

Defined contribution plan

These are plans in which the Company pays pre-defined amounts to funds administered by government authority/ Company and does not have any legal or constructive obligation to pay additional sums. These comprise contributions in respect of Employees' Provident Fund, Employees' State Insurance and Superannuation fund. The Company's payments to the defined contribution plans are recognised as employee benefit expenses when they are due.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

Notes to the Financial Statements as of and for the year ended 31 March 2020

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(iv) Anheuser Busch Inbev group share based payment arrangements

'The fair value of equity settled share options based on shares of group companies is initially measured at grant date and is charged to the Statement of profit and loss over the vesting period, which is the period over which all of the specified vesting conditions are satisfied, and the credit is included in equity. At the end of each period, the Company revises its estimates of the number of options that are expected to vest based on the non-market and service conditions. It recognises the impact of revision to original estimate, if any, in profit or loss, with a corresponding adjustment to equity.

2.13 Provisions and contingencies

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. A provision is made in respect of onerous contracts, i.e., contracts in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contracts. Provisions are not recognised for other future operating losses. The carrying amounts of provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

2.14 Borrowings

'

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of profit and loss over the period of the borrowings using the effective interest method.

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of profit and loss as other gains/(losses).

Notes to the Financial Statements as of and for the year ended 31 March 2020

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.15 Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

2.16 Financial Instruments

A) Financial Assets:

a) Recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value.

Equity instruments

The Company subsequently measures all equity investments at fair value through profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the assets and cash flow characteristics of the asset. There are two measurement categories into which the Company classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amoritsed cost.
- Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at FVTPL.

i) Trade Receivables:
Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses (ECL). The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

ii) Loans
On initial recognition, Loans are measured at fair value. Since the objective is to hold these financial assets to collect contractual cash flows that are solely payments of principal and interest, these assets are subsequently measured at amortised cost using the EIR method less impairment, if any.

iii) Investments (measured at FVTPL):
On initial recognition, the Company measures a investments at its fair value and the transaction costs of investments carried at FVTPL are expenses in the Statement of Profit and Loss.

iv) Other financial assets (including Investments meausred at amortised costs):
On initial recognition, Other financial assets are measured at fair value, and subsequently, measured at the amortised cost, less impairment if any. Loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

b) Derecognition
The Company derecognises a financial assetwhen the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

c) Impairment of financial assets

The Company applies ECL model for measurement and recognition of loss allowance on Trade receivables and other financial assets measured at amortised cost.

In case of trade receivables, the Company follows the simplified credit loss model (as permitted by Ind AS 109) wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.
In case of other financial assets, the Company determines if there has been a significant increase

Notes to the Financial Statements as of and for the year ended 31 March 2020

in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improve such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive (i.e., cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss under the head 'Loss allowance on trade receivables and other financial assets'.

d) Income recognition
Dividend income on investments is recognised and accounted for when the right to receive the payment is established, it probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably. Interest income is accounted for on a time-proportion basis using effective interest rate method taking into account the amounts invested and the rate of interest, except for financial assets that subsequently become credit impaired.

B) Financial Liabilities:

a) Recognition and measurement
Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. On initial recognition,financial liabilities are measured at fair value and subsequently measured at amortised cost.

Trade and other payables
In case of trade and other payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest rate method.

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per credit period. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

b) Derecognition
A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

C) Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.17 Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives

Notes to the Financial Statements as of and for the year ended 31 March 2020

are measured at fair value, and changes therein are recognised in profit or loss. For the purpose of presentation, gains/losses arising on fair valuation of derivative financial instruments for hedging risk relating to foreign currency borrowings are included within 'finance costs'.

2.18 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company has appointed a strategic steering committee which assesses the financial performance and position of the Company and makes strategic decisions. The steering committee, which has been identified as being the chief operating decision maker, consists of the Managing Director, the Chief Financial Officer and other senior management team members assesses the financial performance and position of the Company and makes strategic decisions. Refer Note 37 for segment information presented.

2.19 Earnings per share (EPS)

Basic EPS is arrived by dividing profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti-dilutive.

2.20 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million as per the requirement of Schedule III (Division II) to the Act, unless otherwise stated. The sign '0' in these financial statements indicates that the amounts involved are below INR five lacs and the sign '-' indicates that amounts are nil.

3 Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual result. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates/judgements are:

- Estimation of defined benefit obligation – refer note 34
- Provisions and contingent liabilities – refer note 29A and 39
- Impairment of property, plant and equipment, including capital work in progress and intangible assets – refer note 4A(vi)
- Recognition of deferred tax – refer note 28

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Notes to the Financial Statements as of and for the year ended 31 March 2020

(All Amounts in INR Millions unless otherwise stated)

4A Property, plant and equipment

Reconciliation of carrying amount for the year ended 31 March 2020 and 31 March 2019:

(INR Million)

Particulars	Owned								Leased	Total
	Freehold land	Buildings (refer note i)	Leasehold improvements	Plant and equipment	Computers	Furniture and fixtures	Vehicles	Office equipment	Leasehold land	
Gross carrying amount:										
Balance as at 1 April 2018	620	3,632	0	10,485	115	118	37	45	25	15,077
Additions	-	39	-	571	3	5	0	0	-	618
Disposals	-	2	-	52	0	0	3	4	-	61
Balance as at 31 March 2019	**620**	**3,669**	**0**	**11,004**	**118**	**123**	**34**	**41**	**25**	**15,634**
Balance as at 1 April 2019	620	3,669	0	11,004	118	123	34	41	25	15,634
Adjustment on adoption of Ind AS 116 on Leases [Refer Note (ii) below]	-	-	-	-	-	-	-	-	(25)	(25)
Additions [Refer Note (v) below]	266	42	-	994	63	2	4	2	-	1,373
Disposals	-	6	-	167	52	5	1	0	-	231
Balance as at 31 March 2020	**886**	**3,705**	**0**	**11,831**	**129**	**120**	**37**	**43**	**-**	**16,751**
Accumulated depreciation										
Balance as at 1 April 2018	-	365	0	2,162	69	36	9	16	2	2,659
Depreciation for the year	-	176	-	1,332	35	22	4	9	1	1,579
Disposals	-	0	-	29	0	0	1	1	-	31
Balance as at 31 March 2019	**-**	**541**	**0**	**3,465**	**104**	**58**	**12**	**24**	**3**	**4,207**
Balance as at 1 April 2019	**-**	**541**	**0**	**3,465**	**104**	**58**	**12**	**24**	**3**	**4,207**
Adjustment on adoption of Ind AS 116 on Leases [Refer Note (ii) below]	-	-	-	-	-	-	-	-	(3)	(3)
Depreciation for the year	-	178	-	1,517	35	21	5	9	-	1,765
Disposals	-	5	-	161	52	5	1	0	-	224
Balance as at 31 March 2020	**-**	**714**	**0**	**4,821**	**87**	**74**	**16**	**33**	**-**	**5,745**
Net Carrying amounts:										
As at 31 March 2019	**620**	**3,128**	**-**	**7,539**	**14**	**65**	**22**	**17**	**22**	**11,427**
As at 31 March 2020	**886**	**2,991**	**-**	**7,010**	**42**	**46**	**21**	**10**	**-**	**11,006**

Notes:

i) Includes building constructed on leasehold land aggreagting to net carrying amounts of INR 603 million (31 March 2019: INR 642 million).

ii) Pursuant to adoption of Ind AS 116, leasehold land as at 31 March 2019 have been transferred to right-of-use assets on 1 April 2019 and are presented as a separate line item in the balance sheet as at 31 March 2020, refer Note 4B. Also refer Note 31A for additional disclosures pertaining to leases.

iii) Due to the outbreak of COVID-19 pandemic, the management has not been able to carry out the year-end physical verification of property, plant and equipment as at 31 March 2020. However, the management does not foresee any significant adjustments in the value of property, plant and equipment on this account

Notes to the Financial Statements as of and for the year ended 31 March 2020

Property, Plant, Equipment (Contd)

iv) Title deeds

The title deeds of immovable properties of freehold land and leasehold land (presented under Note 4B) are held in the name of erstwhile entities which were amalgamated with the Company in prior years, except for freehold land with a carrying value of INR 63 million and leasehold land with a carrying value of INR 6 million (Gross carrying amount: INR 8 million), for which the physical possession lies with the Company but the title deeds of such land are currently not in the possession of the Company. However, the Company is in possession of other collaborative documents to evidence the ownership of the properties.

v) Additions to Freehold land and Leasehold land (Note 4B) for the year includes INR 266 million and INR 76 million towards stamp duty provision on various amalgamations effected through court orders in earlier years.

vi) The Company has incurred losses of INR 6,773 million during the year, resulting in accumulated losses of INR 23,378 million as at 31 March 2020. These were considered to represent possible indicators of impairment and hence, the Management has performed an evaluation for impairment of the carrying value of its property, plant and equipment, right-of-use assets, capital work in progress and intangible assets, aggregating to INR 14,149 million as at 31 March 2020 with the help from an independent valuer. The management has identified the Company as a whole as the Cash Generating Unit ("CGU"). The Management has commenced certain activities and intends to commence various initiatives for the purpose of improving its product mix as well as cost reduction of the raw material and packing materials cost which is expected to result in improved margins in coming years. In determining the recoverable value of the assets, the Management has considered future revenue growth including due to localisation of a few premium brands and planned shifting of volume from other group companies in India, improved product mix resulting in growth of higher margin products and cost reduction due to various initiatives planned to be implemented by the Company. The Company has also considered the possible impact arising from the COVID-19 pandemic in developing these projections.

The Management has considered a time frame of 11 years for these projections based on the average remaining useful life of various plants, wherein a CAGR of 6.5% for revenue growth and a cumulative margin improvement of 8% on revenue for the next five years and nil for the balance years have been considered. The discount rate considered for the purpose of determining the present value of its future cash flows has been determined based on post tax weighted average cost of capital at 11.6%.

The Management is confident of being able to achieve the proposed results through the above ongoing and planned initiatives. Based on the projected cash flows, the Management is of the opinion that the recoverable value of its property, plant and equipment, including right-of-assets, capital work in progress and intangible assets, exceeds the carrying value and accordingly no impairment under Ind AS 36 needs to be recorded as of 31 March 2020.

Any reasonable change in the assumptions are not expected to have a material effect on the recoverable value leading to an impairment loss. Also, refer Note (viii) below.

vii) On transition to Ind AS effective 1 April 2016, the net carrying amounts of property, plant and equipment and intangible assets as at 31 March 2015 was considered as the deemed cost and presented as the gross block as at 1 April 2015. However, the Fixed Asset Register continues to reflect the original costs of the assets as the gross block value and the accumulated depreciation/amortisation prior to adoption of Ind AS and does not have the details of the deemed cost considered under Ind AS at the time of initial adoption. Accordingly, the gross block and the accumulated depreciation/amortisation as per the Fixed Asset Register is higher by INR 542 million compared to the gross block and the accumulated depreciation/amortisation as per Note 4A and 4D. Further, the disposals as per Note 4A and 4D are given at original values and not at deemed cost. This has no impact on the net carrying amounts in the balance sheet and depreciation and amortisation expense or gain/loss on sale of property, plant and equipment or intangible assets in the Statement of Profit and Loss.

viii) The Board of Directors in its meeting held on 22 December 2021 have approved the Company to sell / dispose off three of its breweries located in Kerala, Odisha and Puducherry respectively to KALS Breweries Private Limited for a consideration and on such terms and conditions as may be deemed fit by the Board, subject to approval from the members by way of a special resolution. The consideration for the proposed sale of the above mentioned breweries is estimated to be higher than the carrying value of these assets as at 31 March 2020 respectively.

Notes to the Financial Statements as of and for the year ended 31 March 2020

(All Amounts in INR Millions unless otherwise stated)

Further, the Company has entered into a deed of assignment for sale/ transfer/ assignment of right, title and interest in the brand "Foster's" and the associated intellectual property with KALS Breweries Private Limited on 23 December 2021 for INR 750 million, subject to ratification from the members by way of a special resolution.

4B Leases

This note provides information for leases where the Company is a lessee. The Company takes land and buildings (offices and warehouses) on lease. Lease contracts are typically entered into for 40 to 95 years for leasehold land and for periods of 11 months to 5 years for buildings, and may have extension options as decribed in Note (b) below.

(i) Movement in Right-of-use assets

Gross Block	Buildings	Leasehold land	Total
As at 1 April 2019 (restated)	412	25	437
Additions [Refer Note 4A(v)]	104	76	180
Adjustments to leases during the year	12	-	12
As at 31 March 2020	**528**	**101**	**629**

Accumulated depreciation	Buildings	Leasehold land	Total
As at 1 April 2019 (restated)	-	3	3
Charge for the year	130	39	169
As at 31 March 2020	**130**	**42**	**172**
Net carrying amounts as at 31 March 2020	**398**	**59**	**457**

(ii) Movement in lease liabilities

Particulars	Lease Liability
Lease liabilities as at 1 April 2019 (restated)	412
Acquisitions- Leases	104
Interest expense	32
Payment of interest element of leases	(32)
Payment of principal element of leases	(110)
Lease liabilities as at 31 March 2020	**406**

Particulars	As at 31 March 2020
Lease Liabilities	
Current	127
Non-current	279
Total	**406**

Notes to the Financial Statements as of and for the year ended 31 March 2020

(All Amounts in INR Millions unless otherwise stated)

(iii) Amounts recognised in the Statement of Profit and Loss

Particulars	Notes	For the year ended 31 March 2020
a) Depreciation charge of right-of-use assets		
Leasehold land and Buildings	26	169
b) Interest expenses (included in finance cost)	25	32
c) Lease related expenses included in Rent expenses	27	
- Short term leases		33
- Variable lease payments (not included in lease liabilities)		25
Total		**58**

Notes:

(a) For adjustments pursuant to adoption of Ind AS 116, Leases on 1 April 2019, refer note 31A.

(b) Extension and termination options

Extension and termination options are included in a few land and building leases. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. Management considers contractual terms and conditions, leasehold improvements undertaken, costs relating to termination of lease and importance of the underlying asset to the Company's operations in determining the lease term for the purpose of recognising/ measuring the lease liability.

4C Capital work-in-progress

Particulars	As at 31 March 2020	As at 31 March 2019
Opening capital work-in-progress	541	511
Additions (*)	2,147	648
Assets capitalised during the year	(1,107)	(618)
Closing capital work-in-progress	**1,581**	**541**

The balances in capital work-in-progress primarily comprise of projects pertaining to expansion of brewing capacity including capital projects for localisation of premium brands.

(*) Excludes stamp duty provision of INR 266 million (31 March 2019: Nil)

Notes to the Financial Statements as of and for the year ended 31 March 2020

(All Amounts in INR Millions unless otherwise stated)

4D Intangible assets

Reconciliation of carrying amount for the year ended 31 March 2020 and 31 March 2019:

Particulars	Brands (acquired)	Computer software (acquired)	Total
Balance as at 1 April 2018	1,840	183	2,023
Additions	-	3	3
Disposals	-	-	-
Balance as at 31 March 2019	**1,840**	**186**	**2,026**
Balance as at 1 April 2019	1,840	186	2,026
Additions	-	96	96
Disposals	-	1	1
Balance as at 31 March 2020	**1,840**	**281**	**2,121**
Accumulated amortisation:			
Balance as at 1 April 2018	512	82	594
Amortisation for the year	171	41	212
Disposals	-	-	-
Balance as at 31 March 2019	**683**	**123**	**806**
Balance as at 1 April 2019	683	123	806
Amortisation for the year	173	39	212
Disposals	-	1	1
Balance as at 31 March 2020	**856**	**161**	**1,017**
Carrying amounts (net):			
As at 31 March 2019	**1,157**	**63**	**1,220**
As at 31 March 2020	**984**	**120**	**1,104**

Note:

- Remaining useful life as at the year end are as below:
- Brands - 5 to 7 years (31 March 2019 - 6 to 8 years)
- Software - 1 to 4 years (31 March 2019 - 1 to 4 years)
- Also, refer Note 4A(viii).

Notes to the Financial Statements as of and for the year ended 31 March 2020

(All Amounts in INR Millions unless otherwise stated)

5. Non-current financial investments

Particulars	As at 31 March 2020	As at 31 March 2019
Other investments		
Investments measured at Fair Value Through Profit and Loss:		
Investment in equity shares - Unquoted		
80,000 units (31 March 2019: 80,000 units) fully paid up equity shares of Rs. 3 each in Vulcan Leasing and Investments Limited	0	0
295 units (31 March 2019: 295 units) fully paid up equity shares of Rs. 100 each in Haryana State Cooperative Bank Limited	0	0
	0	0
Less: Impairment in the value of investments	0	0
	-	-
Investments in bonds- Quoted		
2 units (31 March 2019: 2 units) of 8% bonds of Gujarat Urja Vikas Nigam Limited of face value Rs. 70,000 each	0	0
70 units (31 March 2019: 70 units) of 9.95% bonds of State Bank of India of face value Rs. 10,000 each	1	1
1 unit (31 March 2019: 1 unit) of 8.75% bond of Oriental Bank of Commerce of face value Rs. 1,000,000	1	1
1 unit (31 March 2019: 1 unit) of 8.70% bond of Power Finance Corporation Limited of face value Rs. 1,000,000	1	1
	3	3
Less: Impairment in the value of investments	(3)	(3)
	-	-
Investments measured at amortised cost		
Investments in government or trust securities- Unquoted		
National Savings Certificates	2	2
Indira Vikas Patra	0	0
	2	2
Less: Impairment in the value of investments	(2)	(2)
	-	-
Aggregate book value of quoted investments	3	3
Aggregate market value of quoted investments	0	0
Aggregate value of unquoted investments	2	2
Aggregate amount of impairment in value of investments	(5)	(5)

Notes to the Financial Statements as of and for the year ended 31 March 2020

(All Amounts in INR Millions unless otherwise stated)

6 Loans

Particulars	As at 31 March 2020	As at 31 March 2019
A. Non-current loans		
Loans to related parties [refer note 33 and note (a) below]	147	2
Loans to employees	12	-
Rental deposits	49	40
Security deposits	201	195
	409	237
Less: Loss allowance		
Rental deposits	(21)	-
Security deposits	(92)	-
	(113)	-
	296	**237**

Break up of security details

Particulars	As at 31 March 2020	As at 31 March 2019
Loans considered good - secured	-	-
Loans considered good - unsecured	296	237
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	113	-
Total	**409**	**237**
Less: Loss allowance	(113)	-
	296	**237**

Note:

(a) During the year, the Company has granted an unsecured loan amounting to INR 145 million to SKOL Breweries Private Limited, a fellow subsidiary, at an interest of 9.5% per annum repayable on 1 May 2022 for general purpose. The financial statements of the fellow subsidiary are drawn on a liquidation basis. However, the fellow subsidiary has a support letter from the Holding Company confirming financial and other support that will be available to the fellow subsidiary to settle its obligations as they arise. Based on the evaluation of the financial positions of the said fellow subsidiary, the Company believes that the receivable balance is good and fully recoverable.

6. Loans (Contd)

B. Current loans

Particulars	As at 31 March 2020	As at 31 March 2019
Loans to employees	14	10
	14	**10**

Break up of security details

Particulars	As at 31 March 2020	As at 31 March 2019
Loans considered good- Secured	-	-
Loans considered good- Unsecured	14	10
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
	14	**10**

Notes to the Financial Statements as of and for the year ended 31 March 2020

(All Amounts in INR Millions unless otherwise stated)

7 Other financial assets

Particulars	As at 31 March 2020	As at 31 March 2019
A. Other non-current financial assets		
Unsecured		
Bank deposits due to mature after 12 months from the reporting date (refer note below)	39	11
Derivative financial asset	570	191
Receivable from contract bottlers [refer note (a) below]		
Considered good	20	343
Considered doubtful	457	260
	1,086	805
Less: Loss allowance	(457)	(260)
	629	**545**

Note: Held as lien by bank against bank guarantees.

B. Other current financial assets

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured		
Derivative financial asset	241	112
Non-trade receivable from related parties (refer note 33)	56	141
Interest accrued on bank deposits	9	12
Interest accrued but not due from related parties (refer note 33)	6	0
	312	265

a) During the year ended 31 March 2019, the Company had received a confirmation of balance from one of its contract bottlers, which had confirmed an additional payable of INR 176 million, not considered receivable by the Company. During the current year, the Company has performed a reconciliation of balances based on confirmation received in the previous year and necessary adjustments have been made in the books of accounts, which had no material impact on the financial statements.

8 Current tax assets (net)

Particulars	As at 31 March 2020	As at 31 March 2019
Advance income tax and tax deducted at source [net of provision for income tax INR Nil (31 March 2019: INR Nil)]	167	190
	167	**190**

Notes to the Financial Statements as of and for the year ended 31 March 2020

(All Amounts in INR Millions unless otherwise stated)

9 Other assets

Particulars	As at 31 March 2020	As at 31 March 2019
A. Other non-current assets		
Capital advances		
- Considered good	-	26
- Considered doubtful	46	0
Balances with government authorities (indirect tax paid under protest)	830	847
Pre-paid rent	-	0
Pre-paid expenses	46	3
Duty drawback receivable	26	37
Other advances		
Considered doubtful	91	91
	1,039	1,004
Less: Allowance for doubtful balances	(137)	(91)
	902	**913**

Particulars	As at 31 March 2020	As at 31 March 2019
B. Other current assets		
Unsecured, considered good		
Balances with excise and other government authorities		
- Considered good	606	884
- Considered doubtful	182	-
- Advances to suppliers	95	55
- Pre-paid rent	-	2
- Pre-paid expenses	216	312
	1,099	1,253
Less: Allowance for doubtful balances	(182)	-
	917	**1253**

10 Inventories

(Valued at lower of cost and net realisable value)

Particulars	As at 31 March 2020	As at 31 March 2019
Raw materials and Packing materials	1,673	648
- [including goods in transit INR 22 million (31 March 2019: INR 1 million)]		
Work-in-progress	508	433
Finished goods	3,064	993
- [including goods in transit INR 251 million (31 March 2019: INR 113 million)]		
Stock-in-trade	38	-
- [including goods in transit INR 38 million (31 March 2019: INR Nil)]		
Stores and spares	532	584
	5,815	**2,658**

Notes to the Financial Statements as of and for the year ended 31 March 2020

(All Amounts in INR Millions unless otherwise stated)

10 . Inventories (Cont)

Note:

(a) The Company is carrying a provision of INR 694 million (31 March 2019: INR 185 million) towards slow/non-moving/ expired inventory, being raw materials, finished goods and stock in trade. Also, refer note 49.

(b) Inventories include inventory held by contract bottling units amounting to INR 44 million (31 March 2019: INR Nil) and inventories held by state beverage corporations amounting to INR 1,564 million (31 March 2019: INR 251 million). The management has performed confirmation/ reconciliation of these inventory balances as at the year end.

(c) The Company has a count programme to verify inventories in the possession of the Company as at the end of every month/year. However, the counts planned as at March 2020 could not be completed by the management due to COVID-19 travel restrictions and lockdown. Post the relaxation of the lockdown restrictions, the Management completed the counts in the months of June 2020 and July 2020. Management also performed the necessary roll back procedures to obtain comfort over existence and condition of inventories at such locations as at 31 March 2020.

11 Trade receivables

(All amounts in INR Millions unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
From Contracts with customers - related parties (refer note 33)	-	83
From Contracts with customers - others (*)	5,643	6,385
	5,643	**6,468**
Less: Loss allowance	(1,255)	(631)
Total trade receivables	**4,388**	**5,837**

(*) Net of refund liabilities amounting to INR 802 million (31 March 2019: INR 776 million).

Details of securities/ categorisation of credit risk of trade receivables

	As at 31 March 2020	As at 31 March 2019
Trade Receivables considered good - secured	-	-
Trade Receivables considered good - unsecured	5,643	6,468
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
	5,643	6,468
Less: Loss allowance	(1,255)	(631)
Total trade receivables	**4,388**	**5,837**

Refer Note 43 for information about financial risk management.

12 A. Cash and cash equivalents

Notes to the Financial Statements as of and for the year ended 31 March 2020

(All Amounts in INR Millions unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with banks		
In current accounts	720	324
In exchange earners foreign currency account	59	51
	779	**375**

12B. Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2020	As at 31 March 2019
Bank deposits due to mature within 12 months from the reporting date (refer note below)	14	-
	14	**-**

Note: Held as lien by bank against bank guarantees.

13 Equity share capital

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised		
1,500,000,000 (31 March 2019: 452,000,000) equity shares of INR 10 each	15,000	4,520
Issued, subscribed and fully paid up		
616,577,878 (31 March 2019: 408,577,878) equity shares of INR 10 each	6,166	4,086

Note:

Subsequent to the approval of shareholders in the Extraordinary General Meeting of the Company held on 19 December 2019, the authorised share capital of the company has been increased from INR 4,520 million (452,000,000 equity shares of INR 10 each) to INR 15,000 million (1,500,000,000 equity shares of INR 10 each).

(a) Reconciliation of the number of equity shares outstanding:

Particulars	As at 31 March 2020		As at 31 March 2019	
	No of shares	Amount	No of shares	Amount
Balance at the beginning of the year	408,577,878	4,086	40,85,77,878	4,086
Add: equity shares issued during the year	208,000,000	2,080	-	-
Balance at the end of the year	**616,577,878**	**6,166**	**40,85,77,878**	**4,086**

Note:

Consequent to the shareholders approval at the Extraordinary General Meeting of the Company and Board of Directors approval, the Company has issued 55,466,667 equity shares of INR 10 each on 24 December 2019 and 152,533,333 equity shares of INR 10 each on 13 February 2020 to AB Inbev Asia BV at a premium of INR 41.10 per share on a private placement under Section 42 of the Act. Payment against these shares have been received in cash.

(b) Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a face value of INR 10/- per share. Each holder of the equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, if any in proportion to their holdings.

Notes to the Financial Statements as of and for the year ended 31 March 2020

(All Amounts in INR Millions unless otherwise stated)

(c) Details of shareholders holding more than 5% shares in the Company:

Name of the shareholder	As at 31 March 2020		As at 31 March 2019	
	% of holding	No of shares	% of holding	No of shares
AB Inbev Asia BV, Netherlands	75.49%	465,493,180	63.02%	257,493,180
Anheuser Busch Inbev Breweries Private Limited, India	23.04%	142,076,253	34.77%	142,076,253

(d) Shares held by holding / ultimate holding company and / or their subsidiaries / associates

(INR Million)

Particulars	As at 31 March 2020	As at 31 March 2019
Anheuser Busch Inbev Asia BV, Holding Company	465,493,180	257,493,180
Anheuser Busch Inbev Breweries Private Limited, Fellow subsidiary	142,076,253	142,076,253
SABMiller India Holdings, Fellow subsidiary	5,590,817	5,590,817
Austindia Pty Ltd, Fellow subsidiary	1,651,174	1,651,174

(e) There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestments.

(f) During the period of five years immediately preceding 31 March 2020, no shares have been allotted as fully paid up by way of bonus shares or pursuant to contract(s) without payment being received in cash. Further, the Company has not bought back any shares during five immediately preceeding financial years.

14 Other equity

Particulars	As at 31 March 2020	As at 31 March 2019
Capital Reserve		
At the commencement of the year	(19)	(19)
At the end of the year	**(19)**	**(19)**
Securities premium		
At the commencement of the year	13,966	13,966
Add: Additions during the year	8,549	-
Less: Amount utilised for share issue expenses	(11)	-
At the end of the year	**22,504**	**13,966**
Amalgamation adjustment reserve / (deficit) account		
At the commencement of the year	(1,030)	(1,030)
At the end of the year	**(1,030)**	**(1,030)**
General reserve		
At the commencement of the year	1,218	1,218
At the end of the year	**1,218**	**1,218**

Notes to the Financial Statements as of and for the year ended 31 March 2020

(All Amounts in INR Millions unless otherwise stated)

14 Other equity

Particulars	As at 31 March 2020	As at 31 March 2019
Equity contribution by parent company in the form of Employee Stock Options (Refer Note 44)		
At the commencement of the year	884	620
Add: Additions during the year	271	264
At the end of the year	1,155	884
Retained earnings		
At the commencement of the year	(16,510)	(13,464)
Add: Loss for the year	(6,773)	(3,046)
Add: Remeasurements of defined benefit obligation	(95)	(0)
At the end of the year	**(23,378)**	**(16,510)**
	450	**(1,490)**

Nature and purpose of other reserves:

Capital reserve:

Capital reserve represents Investment subsidy received from Government in prior years amounting to INR 2 million. Capital reserve is further reduced by INR 21 million towards excess of purchase consideration over the net assets acquired pursuant to the scheme of amalgamation of the Company (the "Transferee Company") with its wholly owned subsidiary - SPR Distilleries Private Limited ("Transferor Company") in accordance with the Appendix C to Ind AS 103 on "Business Combinations".

Securities premium:

Securities premium reserve is used to record the premium received on issue of shares by the Company. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

Amalgamation adjustment reserve / (deficit) account:

The reserve represents amount debited pursuant to the scheme of amalgamation entered into during earlier years. The amount has been arrived as, the excess of carrying value of investments over the share capital of transferor company.

General reserve:

The General reserve is created by way of transfer of profits from retained earnings for appropriation purposes. This reserve is utilised in accordance with the provisions of the Act.

Equity contribution by parent company in the form of ESOP:

This reserve is used to recognise employee shared based payments granted by the group companies. As there is no recharge to the company from the group companies, the same is treated as equity contribution by the parent company.

Retained earnings:

The cumulative gain or loss arising from the operations which is retained by the Company is recognised and accumulated under the heading of retained earnings. At the end of the year, the total comprehensive income for the year is transferred from the Statement of Profit and Loss to the Retained Earnings account.

Notes to the Financial Statements as of and for the year ended 31 March 2020

(All Amounts in INR Millions unless otherwise stated)

15 Borrowings

A. Non-current borrowings

(All amounts in INR Millions unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured		
Loans from related parties (refer note 33)		
- External Commercial Borrowings (ECB)	7,915	7,264
- Term loans	563	556
External Commercial Borrowings from Bank	-	2,571
Less: Current maturities of Borrowings (Refer note 16B)		
- External Commercial Borrowings from related parties (refer note 33)	(4,146)	(1,937)
- External Commercial Borrowings from Bank	-	(2,571)
- Term loans from related parties (refer note 33)	(445)	-
	3,887	**5,883**

(a) Terms of repayment :

Particulars	Repayment terms	Interest rate, including terms of repayment
External commercial borrowings from related party (AB Inbev Asia BV)	Refer Note (b) below	LIBOR 6M+2.35% and LIBOR 3M+2.35%, payable every quarter
Term loan from SKOL Beer Manufacturing Company Limited	Repayable on 1 April 2022	9% per annum, payable on maturity
Term loan from Crown Beers India Private Limited	Refer Note (c) below	9.5% per annum, payable on maturity
External commercial borrowings from Bank	Repayable in a single bullet payment at the end of the term for each drawdown which is due for repayment in FY 2019-2020	LIBOR + 173 basis points, payable on quarterly basis

(b) External commercial borrowings from related party (AB Inbev Asia BV)

The Company has taken External Commercial Borrowings aggregating to USD 105 million (31 March 2019: USD 105 million) from AB Inbev Asia BV, the Holding Company. Out of the total borrowings, the Company has defaulted on repayment of loans aggregating to USD 25 million which was due for repayment on or before 31 March 2020. Further, the Company has defaulted on repayment of USD 8 million which were due for repayment in the month of April 2020 and May 2020. Post year end, the Company vide an agreement dated 29 July 2020 has agreed an extension from its Holding Company on the repayment date for borrowing aggregating to USD 41 million, including USD 33 million where the Company had defaulted.

Notes to the Financial Statements as of and for the year ended 31 March 2020

(All Amounts in INR Millions unless otherwise stated)

15A Borrowings (Cont)

Refer table below for summary of revised repayment schedule:

(All amounts in INR Millions unless otherwise stated)

Due for repayment in financial year	As at 31 March 2020 (in USD million)	As at 31 March 2020
2020-21 (*)	14	1,055
2022-23	50	3,769
2025-26	41	3,091
	105	**7,915**

(*) The Company defaulted on repayment of USD 14 million which were due for repayment between January 2021 to March 2021.

Also refer note 52 for conversion of the aforesaid ECB to equity subsequent to the year end.

(c) Term loan from Crown Beers India Private Limited

The Company has taken loan from Crown Beers India Private Limited, a fellow subsidiary amounting to INR 445 million (31 March 2019: INR 445 million) which was originally due for repayment on 1 May 2020. Post year end, vide a letter dated 1 May 2020, the Company has agreed an extension on the repayment date for this loan. The revised repayment date is 31 May 2022.

(d) The Company has entered into principal only swap arrangements with banks against a fixed interest payment in the range of 4.42% - 5.37% per annum in relation to the ECB from related party to the extent of USD 77 million (31 March 2019: USD 95 million). These arrangements have been accounted as derivative financial assets at fair value under note 7.

B. Current borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured		
- Bank overdraft	-	1,051
- Working capital loans	2,500	2,950
	2,500	**4,001**

Notes:

(a) Working capital loan from banks are repayable on demand within 30 days from the drawdown date. The interest is payable at 6.59% p.a. to 6.95% p.a. (31 March 2019: 7.70% p.a. to 11.3% p.a.). There have been no defaults in repayment of principal and interest during the year ended 31 March 2020 and 31 March 2019.

Notes to the Financial Statements as of and for the year ended 31 March 2020

(All Amounts in INR Millions unless otherwise stated)

15B Borrowings (Cont)

(ii) Movements in debt:	**ECB from related party**	**ECB from Bank**	**Term loans from related parties (*)**	**Lease liabilities**	**Working capital loan/ bank overdraft**	**Cash and cash equivalents**	**Net Debt**
	A	B	C	D	E	F	(A+B+C+D+E-F)
Net debt as at 1 April 2018	7,155	2,422	153	-	300	758	9,272
Cash flows	-	-	-	-	-	(383)	383
Net proceeds from / Repayment of) borrowings	(281)	-	394	-	3,701	-	3,814
Restatement of loan	390	149	-	-	-	-	539
Interest expense (refer note 25)	362	114	40	-	95	-	611
Interest paid	(362)	(114)	-	-	(95)	-	(5771)
Net debt as at 31 March 2019	**7,264**	**2,571**	**587**	**-**	**4,001**	**375**	**14,048**
Recognised on adoption of Ind AS 116 (see note 31.1)	-	-	-	412	-	-	412
Net debt as at 1 April 2019 (restated)	**7,264**	**2,571**	**587**	**412**	**4,001**	**375**	**14,460**
Cash flows	-	-	-	-	-	404	(404)
Acquisition-leases	-	-	-	104	-	-	104
Net proceeds from / Repayment of) borrowings	-	(2,569)	(2)	-	(1,501)	-	(4,072)
Restatement of loan	651	(2)	-	-	-	-	649
Interest expense (refer note 25)	351	89	60	32	450	-	982
Interest paid	(351)	(89)	(14)	(32)	(450)	-	(936)
Principal lease payments	-	-	-	(110)	-	-	(110)
Net debt as at 31 March 2020	**7,915**	**-**	**631**	**406**	**2,500**	**779**	**10,673**

(*) Includes accrued interest

Notes to the Financial Statements as of and for the year ended 31 March 2020

(All Amounts in INR Millions unless otherwise stated)

16 Other financial liabilities

A. Other non-current financial liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Derivative financial liabilities	-	9
Deposits received from contract bottlers	10	10
	10	**19**

B. Other current financial liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Current maturities of long term borrowings (refer note 15A)		
- External Commercial Borrowings (ECB) from related parties (refer note 33)	4,146	2,571
- External Commercial Borrowings (ECB) from bank	-	1,937
- Term loan from related parties (refer note 33)	445	-
Interest accrued but not due to related parties (refer note 33)	68	31
Interest accrued but not due on currency swap contracts	21	39
Interest accrued and due on micro and small enterprises (refer note 38)	50	32
Capital creditors	467	499
Deposit from customers and del-credere agents	90	91
Employee benefits payable	93	183
Payable towards trade schemes	292	301
	5,672	**5,684**

Information about Company's exposure to interest rate, foreign currency and liquidity risks is included in note 43.

17 Provisions

Particulars	As at 31 March 2020	As at 31 March 2019
A. Non-current provisions		
Employee benefits		
- Gratuity (refer note 34)	203	116
- Compensated absences (refer note 34)	-	32
	203	**148**
B. Current provisions		
Employee benefits		
- Gratuity (refer note 34)	21	10
- Compensated absences (refer note 34)	76	7
Provision for indirect tax and other legal matters (refer note 39 and note below)	1,877	1,383
	1,974	**1,400**

Note:

Provision is made for probable cash outflow arising out of pending or otential indirect tax disputes and other litigations. It is not practicable for the Company to estimate the timing of the cash outflows, if any, in respect of the above, pending resolution of respective proceedings.

Notes to the Financial Statements as of and for the year ended 31 March 2020

(All Amounts in INR Millions unless otherwise stated)

18 Other liabilities

	Particulars	As at 31 March 2020	As at 31 March 2019
A.	**Other non-current liabilities**		
	Deferred royalty income	9	6
	Deferred Government grants (refer note 32)	69	80
		78	**86**
B.	**Other current liabilities**		
	Liability for excise duty on closing inventory (net of prepaid taxes)	676	587
	Statutory liabilities	253	333
	Contract liabilities (Advances from customers) (refer note below)	758	194
	Deferred government grants (refer note 32)	11	13
	Deferred royalty income	0	7
	Rent equalisation	-	1
		1,698	**1,135**

Note:

Revenue recognised from amounts included in contract liabilities at the beginning of the year is INR 194 million (31 March 2019: INR 69 million).

19 Trade payables

Particulars	As at 31 March 2020	As at 31 March 2019
Dues to Micro and Small enterprises (refer note 38)	262	122
Dues to creditors other than Micro and Small enterprises		
Dues to related parties (refer note 33)	325	397
Others	4,750	3,945
	5,075	4,342
	5,337	**4,464**

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 43.

20 Current tax liabilities (net)

(All amounts in INR Millions unless otherwise stated)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax liabilities (net of advance tax and tax deducted at source)	-	50
Provision for fringe benefit tax (net of advance tax)	-	5
	-	**55**

Notes to the Financial Statements as of and for the year ended 31 March 2020

(All Amounts in INR Millions unless otherwise stated)

21 Revenue from operations

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from contracts with customers:		
Sale of products (includes excise duty)	33,073	31,225
Sale of services - Royalty income	21	49
	33,094	31,274
Other operating revenue		
Sale of spent malt and scrap	267	275
Sale of raw materials and packing materials (refer note 33)	182	109
Duty draw back on exports	2	14
	451	398
	33,545	**31,672**

(a) Disaggregation of revenue from contracts with customers

Categories of products/services		
Beer	13,759	13,100
Non-alcoholic beverages (NAB)	243	49
Add: Excise duty collected from customers	19,092	18,125
	33,094	**31,274**

(b) Performance obligation for sale of products in case of state beverage corporation markets is satisfied on sale to retailers/distributors, and in case of other markets, the performance obligation is satisfied on dispatch of products from the Company's or CBU's factories/warehouses.

22 Other income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income on fixed deposits held at amortised cost	27	10
Interest income on loans to related parties (refer note 33)	6	0
Unwinding of discount on security deposits	2	2
Interest on income tax refund	-	13
Income from sub-lease (refer note 33)	13	-
Reversal of provision for indirect tax matters, net (refer note 39)	-	140
Release of deferred government grants (refer note 32)	13	13
Liabilities no longer required written back	257	72
Miscellaneous income	112	59
	430	**309**

23A Cost of materials consumed

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Raw materials and Packing materials consumed	9,964	7,882
	9,964	**7,882**

Notes to the Financial Statements as of and for the year ended 31 March 2020

(All Amounts in INR Millions unless otherwise stated)

23B Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
(a)	Opening inventory		
	- Finished goods	993	656
	- Work-in-progress	433	266
	- Stock-in-trade	-	-
	Total opening balance (A)	**1,426**	**922**
(b)	Closing inventory:		
	- Finished goods	3,064	993
	- Work-in-progress	508	433
	- Stock-in-trade	38	-
	Total closing balance (B)	3,610	1,426
	Increase / (decrease) in excise duty on finished goods, net (C)	768	(14)
	"Total changes in inventories of finished goods, work-in-progress and stock-in-trade (A-B+C)"	**(1,416)**	**(518)**

24 Employee benefits expense

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages and bonus	1,510	1,033
Contribution to provident and other funds (refer note 34)	98	42
Gratuity (refer note 34)	23	22
Employee stock option expense (refer note 44)	271	264
Staff welfare expenses	149	56
	2,051	**1,417**

25 Finance costs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense on borrowings at amortised cost		
- External Commercial Borrowings (ECB) from related parties (refer note 33)	351	362
- External Commercial Borrowings (ECB) from bank	89	114
- Working capital loan and overdrafts from banks	450	95
- Term loans from related parties (refer note 33)	60	40
Interest on derivative contracts	163	245
Interest charges on lease liabilities	32	-
Exchange fluctuation on foreign currency borrowings, net	651	539
(Gain) on fair valuation of financial instruments	(518)	(535)
Interest on micro and small enterprises (refer note 38)	18	23
Interest - others (indirect taxes, etc.)	91	1
	1,387	**884**

Notes to the Financial Statements as of and for the year ended 31 March 2020

(All Amounts in INR Millions unless otherwise stated)

26 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant and equipment (refer note 4A)	1,765	1,580
Depreciation of right-of-use assets (refer note 4B)	169	-
Amortisation of intangible assets (refer note 4D)	212	212
	2,146	**1,792**

27 Other expenses

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Consumption of stores and spare parts	489	183
Commission on sales	130	108
Rent (refer note 4B and 31B)	58	131
Contract wages	453	576
Freight outward	1,320	1,038
Power and fuel	571	545
Distribution expenses	112	125
Advertisement and publicity	384	335
Rates and taxes	634	484
Legal and professional	78	467
Auditors' remuneration (Refer note (a) below)	19	19
Clearing and forwarding	110	94
Travel and conveyance	174	217
Conversion charges paid to contract bottlers	414	378
Repairs and maintenance		
- buildings	94	76
- plant and machinery	150	115
- others	351	200
Insurance	6	34
Gain/(Loss) on disposal of property, plant and equipment (net)	9	(2)
Net foreign exchange differences	33	162
Allowance for doubtful non-financial assets	228	-
Miscellaneous expenses	235	209
	6,052	**5,494**

(a) Auditor's remuneration (included in legal and professional charges) as below (*):

As auditor		
- for statutory audit	19	16
Reimbursement of expenses	0	3
	19	**19**

(*) Excluding goods and services tax

28 Income tax

(All amounts in INR Millions unless otherwise stated)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
A. Amounts recognised in statement of profit and loss		
Current income tax:		
Current income tax charge	-	-
Current tax pertainingto earlier years	(55)	-
	(55)	-

Notes to the Financial Statements as of and for the year ended 31 March 2020

(All Amounts in INR Millions unless otherwise stated)

28 Income tax

(All amounts in INR Millions unless otherwise stated)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Deferred tax:		
Attributable to -		
Origination and reversal of temporary differences	-	-
	-	-
Income tax expense reported in the statement of profit or loss	(55)	-

B. Income tax recognised in other comprehensive income (OCI)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Net (gain)/loss on remeasurement of defined benefit liability/ (assets)	-	-
Income tax charged to OCI	**-**	**-**

C. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit/(Loss) before tax	(6,828)	(3,046)
Enacted tax rate in India (%)	34.944%	34.608%
Expected computed tax expense/(credit)	(2,386)	(1,054)
Less: Expenses that are not deductible in determining taxable profit	(103)	-
Unrecognised deferred tax expense/(credit) on tax losses	2,489	1,054
Adjustments in respect of current income tax of previous years	(55)	-
Income tax expense	**(55)**	**-**

D. Deferred tax balances as at year end comprise of the following:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Deferred tax liabilities:		
Difference between carrying amount of fixed assets in the financial statements and the income tax return.	1,592	1,168
Right-of-use of asset	160	-
Total	**1,752**	**1,168**
Deferred tax asset:		
Expenses allowable under the Income Tax Act, 1961 on payment basis	1,209	574
Lease liabilities	141	-
Unabsorbed depreciation for earlier years (refer note E below)	402	594
Total	**1,752**	**1,168**

E. Unrecognised Deferred tax assets

The Company as at the year end has not recognised deferred tax asset on business losses/unabosorbed depreciation amounting to INR 6,328 million (31 March 2019: INR 3,764 million) as it is not probable that taxable profit will be available in forseable future against which the unabosrbed business losses/ depreciation can be utilised. Deferred tax asset on unabsorbed depreciation has been recognised to the extent of deferred tax liabilities. Unabsorbed depreciation can be carried forward indefinitely. Business loss can be carried forward for a period of 8 years from the year in which loss arose.

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Business loss	5,458	1,648
Unabsorbed depreciation	12,651	9,227
Total	**18,109**	**10,875**

Notes to the Financial Statements as of and for the year ended 31 March 2020

(All Amounts in INR Millions unless otherwise stated)

29A Contingent Liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
A. Indirect tax matters		
(i) Sales tax	349	349
(ii) Excise	68	81
(iii) Service tax	719	224
(iv) Customs	0	0
B. Other civil litigations and claims	796	462

Notes:

a) Indirect tax

The Company has operations across various states in India. The Company has identified possible exposures relating to local sales tax, state excise duty, central excise duty, service tax and customs duty, based on demands from authorities. The amounts above represents tax demands and interest/penalties as per the orders but does not include any further interest or penalty as may be levied based on the final outcome of the order.

b) Other civil litigations and claims

Other civil litigations relate to various claims from third parties under dispute which are lying with various courts/ appellate authorities.

c) Provident fund

The Company has evaluated the impact of the Supreme Court Judgment in the case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" ("the judgement") and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation ("the circular") in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Company has ensured compliance with the judgement and the circular for the period from April 2019. Further, based on the assessment of the Management, the aforesaid matter is not likely to have a significant impact on the financial statement and accordingly, no provision has been made in these financial statements for period prior upto March 2019.

d) Investigation by Competition Commission of India ("CCI")

An investigation under the Competition Act, 2002 was initiated by the CCI against certain past conducts of the Company under the old management (AB InBev group acquired the Company in October 2016). The final Investigation Report of the Director General, CCI ("DG, CCI"), with limited circulation to parties only, was shared with the Company on 15 November 2019 for seeking objections, if any. The replies were duly filed and final arguments were thereafter concluded in the month of February and March, 2021. CCI has passed the final order dated 24 September 2021 on this matter granting a 100% reduction in penalty for the Company being the first lesser penalty applicant. Consequently, there is no financial impact on the Company and the matter now stands closed.

e) Income tax

The Company has certain ongoing litigations in respect of income tax matters (including transfer pricing) for certain assessment years in various forums. In the event of an unfavourable outcome of these litigations, the carried forward losses of the Company will acordingly reduce, thereby having effect on the subsequent tax assessments. The Company considers the possibility of any outflow as remote in this regard and hence, not been considered as a contingent liability.

f) Use of Judgement

Notes to the Financial Statements as of and for the year ended 31 March 2020

(All Amounts in INR Millions unless otherwise stated)

Management categorizes the matters based on the probability of cash outflow, which require judgement. Management obtains the views of external consultants where necessary. Based on the assessment, management recognises liability/ provision, or discloses the matter as a contingent liability, except for matters where the probability of outflow of cash is considered remote. Due to uncertainties involved in the process, actual outflows may be different from those originally estimated.

The Company may be involved in legal proceedings in respect of which it is not possible to make a reliable estimate of any expected settlement. In such cases, appropriate disclosure is provided but no provision is made and no contingent liability is quantified."

g) Management is optimistic of a favourable outcome in the above matters based on legal opinions / management assessment. It is not practicable for the Company to estimate the timing of the cash outflows, if any, in respect of the above, pending resolution of respective proceedings.

29B Capital and other commitments

Particulars	As at 31 March 2020	As at 31 March 2019
(a) Capital commitments for property, plant and equipment (net of advances)	841	392
(b) Other commitments:		
(i) Purchase of raw materials and packing materials	220	9

30 Loss per share

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Nominal value of equity shares (in INR)	10/-	10/-
(a) Loss attributed to equity holders of the Company	(6,773)	(3,046)
(b) Weighted average number of equity shares used as denominator	443,433,980	408,577,878
(c) Basic and diluted loss per share (in INR)	(15.27)	(7.46)

Note: (a) There are no dilutive equity shares in the Company.

31A Adoption of Ind AS 116 on Leases

This note explains the impact of adoption of Ind AS 116, Leases on the Company's financial statements.

As indicated in Note 4B, the Company has adopted Ind AS 116 prospectively from 1 April 2019. The new accounting policies are disclosed in note 2.6.

On adoption of Ind AS 116, the company has recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17, Leases. These liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019. The weighted average incremental borrowing rate applied to the lease liabilities on 1 April 2019 is 8.75%.

(a) Practical expedients applied

In applying Ind AS 116, the Company has used the following practical expedients permitted by the standard:

(i) accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short term leases, and

(ii) the Company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the company relied on its assessment made applying Ind AS 17 and Appendix C to Ind AS 17, Determining whether the arrangement contains lease.

Notes to the Financial Statements as of and for the year ended 31 March 2020

(All Amounts in INR Millions unless otherwise stated)

(b) Measurement of lease liabilities

Particulars	Amount
Operating Lease commitments disclosed as at 31 March 2019	40
Less: Short-term leases not recognised as a liability	(3)
Add: Impact of re-assessment of lease term under Ind AS 116	375
Lease liability recognised as at 1 April 2019	412
Of which are:	
Current Lease Liabilities	98
Non-Current Lease Liabilities	314
	412

(c) Measurement of right-of-use assets

The associated right-of-use assets for leases were measured on a prospective basis.

(d) Adjustments recognised in the balance sheet on 1 April 2019

The change in adoption of Ind AS 116 affected the following items in the balance sheet on 1 April 2019:

- Right of use assets – increase by INR 412 million
- Lease liabilities – increase by INR 412 million

31B Operating lease (till 31 March 2019)

The Company has taken on lease office premises, a brewing facility, motor vehicles, warehouses and depots under operating lease agreements. Total rental expense (including minimum lease payments) amounted to INR 131 million for the year ended 31 March 2019. Future minimum lease rentals payable under non-cancellable operating leases are as follows:

Particulars	As at 31 March 2019
Payable in less than one year	35
Payable between two and five years	5
Payable after five years	-
	40

32 Government grant

The Company is entitled to receive grant from Government of Maharashtra under Package Scheme of Incentives, 2007 towards capital expansion of units set up in the developing region of the State of Maharashtra. As at 31 March 2020, the Company has received a cumulative total grant of INR 212 million (As at 31 March 2019: INR 212 million).

The Company recognises the grant to the Statement of Profit and Loss over the useful life of the asset in the proportion in which depreciation on related assets are charged. Accordingly a cumulative amount of INR 132 million (As at 31 March 2019: INR 119 million), including release during the year amounting to INR 13 million (As at 31 March 2019: INR 13 million), has been credited to the Statement of Profit and Loss during the year 31 March 2020.

The unamortised amount of total grants received as at 31 March 2020 is INR 80 million (As at 31 March 2019: INR 93 million). There are no unfulfilled conditions or other contingencies attached to the grants that has been recognised.

33 Related party disclosures

Notes to the Financial Statements as of and for the year ended 31 March 2020

(All Amounts in INR Millions unless otherwise stated)

A. Details of related parties:

Names of related parties and description of relationship	Country of Incorporation
I. Parent entities	
- Anheuser Busch InBev SA/NV, Ultimate Holding Company	Belgium
- AB InBev Asia B.V., Holding Company	Netherlands
- Ab Inbev Africa & Asia B.V., Intermediate Holding Company	United Kingdom
- ABI SAB Group Holding Limited, Intermediate Holding Company	United Kingdom
- ABI UK Holding 2 Limited, Intermediate Holding Company	United Kingdom
- ABI UK Holding 1 Limited, Intermediate Holding Company	United Kingdom
- ABINBEV NEDERLAND HOLDING B.V., Intermediate Holding Company	Netherlands

Names of entity	Country of Incorporation
II. Entity having significant influence	
- Anheuser Busch InBev Breweries Private Limited (*)	
(*) also a fellow subsidiary	India
III. Fellow subsidiaries (with whom transactions have taken place during the current year or previous year)	
SKOL Beer Manufacturing Company Limited	India
MBL Breweries Limited	India
SKOL Global Business Services Private Limited	India
Crown Beers India Private Limited	India
GCC Services India Pvt Ltd	India
Anheuser Busch InBev USA LLC	United States of America
ABInBev Corporate Services Ltd	United Kingdom
AB InBev Asia (Hong Kong) Limited	Hong Kong
Anheuser - Busch InBev Procurement GmbH	Switzerland
CUB Pty Ltd, Australia	Australia
Anheuser-Busch InBev Vietnam Brewery Company Limited	Vietnam
Budweiser Brewing Company APAC Limited	Hong Kong

33A Related party disclosures (Cont.)

IV. Employee Benefit Trusts

SKOL Breweries Ltd Emp Gratutiy Fund Trust

Anheuser Busch Inbev India Limited, Emp Gratuity Fund

Sab Miller India Ltd Employees Gratuity Trust Fund

Anheuser Busch Inbev India Employee Superannuation Trust

Notes to the Financial Statements as of and for the year ended 31 March 2020

(All Amounts in INR Millions unless otherwise stated)

IV. Key management personnel of the entity

Kartikeya Sharma, Managing Director (from 4 September 2020)

Mahesh Kumar Mittal, Whole Time Director (from 1 March 2021)

Meeta Aggarwal, Chief Financial Officer (from 25 February 2021)

Gagandeep Sethi, Whole Time Director (till 28 February 2021)

Ben Verhaert, Whole Time Director (till 4 September 2020)

Cherian Kurien, Chief Financial Officer (from 11 April 2019 till 25 February 2021)

Naveen Jain, Company Secretary (till 18 April 2019)

Nishi Vijayvargiya, Company Secretary (from 17 October 2019 till 28 August 2021) (*)

(*) Also refer note 48(h).

V. Independent directors

Sapna Taneja

Arun Monappa (till 29 July 2020)

Rashmi Mittal (from 29 July 2020)

B. Summary of the transactions with related parties

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of products to		
- fellow subsidiaries	31	-
Sale of raw materials to		
- fellow subsidiaries	182	109
Purchase of raw materials and packing materials from		
- fellow subsidiaries	218	187
Purchase of stock-in-trade from		
- fellow subsidiaries	108	13
Finance costs		
- fellow subsidiaries	60	40
- parent entities	351	362
Interest income		
- fellow subsidiaries	6	-
- entity having significant influence	0	0

Notes to the Financial Statements as of and for the year ended 31 March 2020

(All Amounts in INR Millions unless otherwise stated)

33B Related party disclosures (Cont.)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Income from sub-lease		
- fellow subsidiaries	13	-
Term loans taken from		
- fellow subsidiaries	250	396
Term loans repaid to		
- fellow subsidiaries	252	2
Loans given to		
- fellow subsidiaries	145	12
- Key management personnel	8	7
Loans repaid by		
- fellow subsidiaries	-	12
- Key management personnel	1	-
Purchase of capital goods from		
- fellow subsidiaries	35	-
Reimbursement of expenses received from (Salaries and wages, Travel and conveyance, etc.)		
- fellow subsidiaries	148	145
- parent entities	55	16
- entity having significant influence	-	1
Reimbursement of expenses paid to (Salaries and wages, Travel and conveyance, etc.)		
- fellow subsidiaries	83	31
Advances written off for		
- fellow subsidiaries	-	5
Contribution made for Gratuity and Superannauation		
- Employee Benefit Trusts		
Employee stock option expenses in the nature of equity contribution by	2	3
- parent entities	254	264
- fellow subsidiaries	17	-

Notes to the Financial Statements as of and for the year ended 31 March 2020

(All Amounts in INR Millions unless otherwise stated)

33C. The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

(INR Million)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Financial asset - loans		
- entity having significant influence	2	2
- fellow subsidiaries	145	-
	147	2
Financial asset - Interest accrued but not due	0	0
- entity having significant influence	6	-
- fellow subsidiaries	6	0
Financial asset - Non-trade receivable		
- entity having significant influence	6	5
- fellow subsidiaries	50	128
- parent entities	-	8
	56	**141**
Financial assets - loans to employees		
- Key management personnel	14	7
Financial assets - trade receivables		
- fellow subsidiaries	**-**	**75**
- parent entities	-	8
		83
Financial liabilities - trade payables		
- fellow subsidiaries	316	397
- parent entities	9	-
	325	397
Financial liabilities - External Commercial Borrowings		
- parent entities	**7,915**	**7,264**
Financial liabilities -Term loans		
- fellow subsidiaries	563	556
Financial liabilities -Interest accrued but not due		
- fellow subsidiaries	**68**	**31**

Notes to the Financial Statements as of and for the year ended 31 March 2020

(All Amounts in INR Millions unless otherwise stated)

D. Remuneration and sitting fee		
Remuneration to key management personnel:		
Short-term employee benefits (*)	93	122
Post-employment benefits (*)	4	-
Employee share-based payments (**)	2	-
	99	**122**

(*) As the employee benefits obligations such as gratuity, compensated absences and bonuses are provided for the Company as a whole, the amounts pertaining to individual Key Management Personnel are not included above on an accrual basis. Such, amounts are included on payment basis.

(**) Based on options exercised during the year

Sitting fees paid to Independent directors	**2**	**2**

E. Terms and conditions

Transactions with related parties are carried out in the normal course of business and are generally on normal commercial terms.

34 Employee benefit obligations

(i) Defined contribution plan:

Provident fund, Superannuation fund and Employee state insurance scheme: Eligible employees of the Company receive benefit under the provident fund and employee state insurance scheme which are defined contribution plans wherein both the employee and the Company make monthly contributions equal to a specified percentage of the covered employees' salary. In case of Superannuation fund, the Company make monthly contributions equal to a specified percentage of the covered employees' salary. These contributions are made to the fund administered and managed by the Government of India/Employee Benefit Trusts and the Company has no further obligation beyond making its contribution. The Company's monthly contributions are charged to the Statement of Profit and Loss in the period they are incurred.

The expenses recognised during the period towards defined contribution plan are as below:

Particulars	As at 31 March 2020	As at 31 March 2019
Provident fund	95	38
Superannuation fund	2	1
Employee state insurance scheme	**1**	**2**
Total	**98**	**41**

(ii) Defined benefit plan

A. The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity (Amendment) Act, 2018. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The obligation under the scheme is partially funded by contributions being made towards qualifying insurance policies obtained from the insurer.

Notes to the Financial Statements as of and for the year ended 31 March 2020

(All Amounts in INR Millions unless otherwise stated)

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status amounts recognised

B. Reconciliation of opening and closing balances of the present value of the defined benefit obligation (DBO):

Particulars	As at 31 March 2020	As at 31 March 2019
Obligations at the beginning of the year	139	146
Included in Statement of Profit and Loss:		
- Current Service Cost	15	14
- Interest Cost	9	9
Included in Other comprehensive income:		
- Actuarial (gains)/ losses arising from changes in financial assumptions	47	7
- Actuarial (gains)/ losses arising from changes in demograpic assumptions	-	(1)
- Actuarial (gains)/ losses arising from experience adjustments	45	(6)
Benefits settled	(24)	(30)
Obligations at year end	**231**	**139**

C. Reconciliation of opening and closing balances of the fair value of the plan assets:

Particulars	As at 31 March 2020	As at 31 March 2019
Fair value of plans assets at the beginning of the year	13	17
Included in Other comprehensive income:		
- Actuarial (loss)/gain	(3)	(0)
Included in Statement of Profit and Loss:		
- Interest income on plan assets	1	1
Contributions	0	2
Benefits settled	(4)	(6)
Fair value of plans assets at year end	**7**	**13**

D. Reconciliation of present value of defined benefit obligation and the fair value of plan assets to the assets and liabilities recognised in the Balance sheet at the end of the year:

Particulars	As at 31 March 2020	As at 31 March 2019
Present value of defined benefit obligation at year end	231	139
Fair value of plan assets at year end	7	13
Total Liability recognised in Balance sheet	**224**	**126**
Net liability:		
- Non current (refer note 17A)	203	116
- Current (refer note 17B)	21	10
	224	**126**

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E. Expenses recognised in the Statement of profit and loss:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Cost for the year		
Current Service cost	15	14
Net interest cost		
- Interest expense on DBO	9	9
- Interest (income) on plan assets	(1)	(1)
Total Net interest cost	**8**	**8**
Net gratuity cost	**23**	**22**

F. Re-measurement effects recognised in Other comprehensive income (OCI):

Particulars	As at 31 March 2020	As at 31 March 2019
Actuarial (gains)/ losses arising from changes in financial assumptions	47	7
Actuarial (gains)/ losses arising from changes in demographic assumptions	-	(1)
Actuarial (gains)/ losses arising from experience adjustments	45	(6)
Actuarial (gains)/ losses on plan assets	3	(0)
Total actuarial (gain)/ loss included in OCI	**95**	**(0)**

G. Total cost recognised in Comprehensive Income

Particulars	As at 31 March 2020	As at 31 March 2019
Expense recognised in Profit and Loss (refer note 24)	23	22
Remeasurements effects recognised in OCI	95	(0)
Total cost recognised in Comprehensive Income	**118**	**22**

H. Major categories of plan assets as a percentage of the fair value of total plan assets :

Particulars	As at 31 March 2020	As at 31 March 2019
Qualifying insurance policies from the insurer	100%	100%

I. Actuarial assumptions

Particulars	As at 31 March 2020	As at 31 March 2019
Discount rate (per annum)	6.20%	7.20%
Salary escalation rate	9.80%	5.00%
Retirement age	58-60 Years	58-60 Years
Mortality table	IALM (2006-08) Ultimate table (*)	IALM (2006-08) Ultimate table (*)

*IALM: Indian Assured Lives Mortality

The discount rate applied is based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

Assumptions regarding future mortality for pension and medical benefits are set based on actuarial advice in accordance

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with published statistics.

J. Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is provided below:

(INR Million)

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	(Decrease)/ Increase in defined benefit obligation		(Decrease)/ Increase in defined benefit obligation	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate (100 basis points movement)	(12)	13	(6)	6
Salary Escalation Rate (100 basis points movement)	13	(12)	6	(6)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

K. Risk exposure

Through its defined benefit plans, Company is exposed to number of risks, the most significant of which are detailed below:

Asset volatility	The plan liabilities are calculated using a discount rate set with reference to yields of government securities; if plan assets underperform this yield, this will create a deficit. Plan asset investments for gratuity are made in pre-defined insurance plans and these are subject to risk of default and interest rate risk. The fund manages credit risk/ interest rate risk through continuous monitoring to minimise risk to an acceptable level.
Change in bond yields	A decrease in yields of government securities will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.
Inflation Risk	Actual Salary increase that are higher than the assumed salary escalation, will result in increase to the Obligation at a rate that is higher than expected.
Life Expectancy	The plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

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Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

L. Defined benefit liability

The weighted average duration of the defined benefit obligation is 5 years (31 March 2019 - 5 years). The expected maturity analysis of undiscounted gratuity is as a follows:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Less than a year	30	24
Between 1 -2 years	35	28
Between 2 - 5 years	110	71
Between 5 - 10 years	208	110

Note:

The above details on expected maturity analysis of undiscounted gratuity payments are restricted upto 10 years.

35 Details of inter- corporate loans given

(a) Terms and conditions on which inter-corporate loans have been given:

Party name	Repayment terms	Interest rate per annum	Purpose
Anheuser Busch InBev Breweries Private Limited	Not repayable before 31 May 2022	9.0%	General
SKOL Global Business Services Pvt Ltd	Not repayable before 1 May 2022	9.5%	General

(b) Reconciliation of inter-company loans given as at the beginning and as at the end of the year:

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Anheuser Busch Inbev Breweries Private Limited		
At the commencement of the year	2	2
Add: Loans given during the year	-	0
Less: Loans repaid during the year	-	-

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At the end of the year	**2**	**2**
(ii) SKOL Global Business Services Pvt Ltd		
At the commencement of the year	-	-
Add: Loans given during the year	145	12
Less: Loans repaid during the year	-	(12)
At the end of the year	**145**	**-**

36 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise shareholder value.

The Company monitors capital using net debt to equity ratio. For this purpose, net debt includes all non-current and current borrowings reduced by cash and cash equivalents. Equity comprises all components of equity. The Company's net debt to equity ratio as at 31 March 2020 and 31 March 2019 are as follows:

Particulars		As at 31 March 2020	As at 31 March 2019
Total debt	(a)	11,452	14,423
Less: Cash and cash equivalents	(b)	(779)	(375)
Net debt	(c) = (a) - (b)	10,673	14,048
Total equity	(d)	6,616	2,596
Net debt to equity ratio	(c) / (d)	1.61	5.41

37 Segmental information

The Company is primarily engaged in the business of brewing, packaging distribution, marketing and sale of beer and non alocoholic beverages. The CODM reviews the Company's performance and allocates resources for the business of the Company at an overall level as a single business segment and not at any other disaggregated level. Accordingly, disclosures for operating segment as envisaged in Ind AS -108 (Segment Reporting) are not applicable to the Company. Additional disclosures as required under Ind AS-108 are as below-"

(i) Revenue from external customers (gross of excise duty) (*)

Particulars	As at 31 March 2020	As at 31 March 2019
India	32,740	30,865
Other countries	805	807
Total	**33,545**	**31,672**

* Disclosure is based on the location of the customer.

(ii) Non-current assets (*)

Particulars	As at 31 March 2020	As at 31 March 2019
India	15,050	14,101
Other countries	-	-

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(All Amounts in INR Millions unless otherwise stated)

Total	**15,050**	**14,101**

* Non-current assets include property, plant and equipment, right-of-use assets, capital work-in-progress, intangible assets and Other non-current assets.

(iii) Revenue from major customers

Revenue from three customers (31 March 2019: three customers) of the Company for the year ended 31 March 2020 is INR 17,782 million (31 March 2019: INR 18,608 million) which are individually more than 10 percent of the Company's total revenue.

38 Dues to Micro, small and medium enterprises

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of principal and interest outstanding during the year is given below:

	Particulars	As at 31 March 2020	As at 31 March 2019
(a)	Amounts remaining unpaid to Micro Enterprises and Small Enterprises as at the end of the year:		
	- Principal	262	122
	- Interest due thereon	6	0
(b)	Amounts paid to Micro Enterprises and Small Enterprises beyond appointed date during the year:		
	- Principal	271	688
	- Interest due thereon	-	-
(c)	The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	12	23
(d)	Amount of interest accrued and remaining unpaid as at the end of year	50	32
(e)	Amount of further interest due and payable even in the succeeding year until such date when the interest dues as above are actually paid	-	-

39 Provision for indirect tax and other legal matters

The provision is based on management's assessment of possible exposure and in certain cases, based on advice obtained by the Company from external legal counsel. The time frame of utilisation of the provision is determined by the course of the legal proceedings.

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Provision for indirect-tax cases		
Opening balance	1,280	1,462
Add: Addition/(reversals) during the year - net	435	(140)
Less: Amounts utilised during the year	-	(42)
Closing balance	**1,715**	**1,280**
Provision for water charges		
Opening balance	61	61

Notes to the Financial Statements as of and for the year ended 31 March 2020

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Add: Addition/(reversals) during the year - net	-	-
Less: Amounts utilised during the year	-	-
Closing balance	**61**	**61**
Provision for legal cases		
Opening balance	42	-
Add: Addition/(reversals) during the year - net	59	42
Less: Amounts utilised during the year	-	-
Closing balance	**101**	**42**
	1,877	**1,383**

Provision for indirect-tax cases

Provisions are made for certain litigations against the Company relating to Excise, Sales tax, Service tax and Customs duty related matters and stamp duty on various amalgamations effected through court orders in earlier years. Due to the very nature of such provisions, it is not possible to estimate the timing/ uncertainties relating to their outflows.

Provision for water charges

The Maharashtra Industrial Development Corporation ('MIDC') had, vide order number EE/E&M/785/2005 dated 25 May 2005, made a demand for increase in water charges with retrospective effect from 1 November 2001. Waluj Industries Association ('the Association'), of which the Company is a member has filed a writ petition against such demand in the Honorable High Court of Bombay. The Honorable High Court of Bombay has passed an order against the appeal and has directed the Association to release the demand amount with retrospective effect. Accordingly, the Company has made the payment of the principal amount outstanding. However, with respect to interest for which the above provision is recognised, the Association has given a representation on behalf of the Company for waiver of interest demanded by MIDC. The matter is currently pending final settlement.

Provision for legal cases

Certain litigations are in process against the Company relating to labour cases, industrial disputes and other civil matters. The provisions are utilised to settle previously anticipated and determined adverse outcomes of legal cases against the Company. Due to the very nature of such provisions, it is not possible to estimate the timing/ uncertainties relating to their outflows.

40 Internal Financial Controls with Reference to the Financial Statements

The Company is in the process of carrying out a detailed exercise to review the current business processes including Information Technology dependencies, review the design and effectiveness of its internal financial controls with reference to the financial statements including its documentation and retention policy of related evidences vis à vis the criteria considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI") and assess gaps, if any, for remediation.

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41 Issue of equity shares in prior year

During the year ended 31 March 2017, the Company had issued 95,407,142 equity shares of face value of INR 10 per share at a premium of INR 46 per share to its holding Company, Sab Miller Asia B.V, amounting to INR 5,343 million.

As per Section 62(1)(C) of the Companies Act, 2013, the fair value at which the shares are issued has to be determined by a registered valuer. Accordingly, the Company had obtained the value from a registered valuer who had considered the price at which the preferential offer was made in the year 2013 as representative of the value of shares issued during the year ended 31 March 2017, i.e. INR 56 per share. The Company has complied with all requisite filings in this regard.

42 Fair value measurements

(i) Financial instruments by category

Financial assets	Note	As at ended 31 March 2020	As at ended 31 March 2019
Financial assets measured at fair value through profit and loss ("FVTPL")			
Investments measured at FVTPL	5	-	-
Derivative financial asset	7	811	303
Financial assets measured at amortised cost			
Investments measured at amortised cost	5	-	-
Trade receivables	11	4,388	5,837
Cash and cash equivalents	12A	779	375
Loans	6	310	247
Other financial assets (Other than derivatives)	7	144	507
Total financial assets		**6,432**	**7,269**
Financial liabilities			
Financial liabilities measured at fair value through profit and loss			
Derivative financial liabilities	16	-	9
Financial liabilities measured at amortised cost			
Borrowings (*)	15	10,978	14,392
Trade payables	19	5,337	4,464
Other financial liabilities (Other than derivatives)	16	1,091	1,186
Total financial liabilities		**17,406**	**20,051**

(*) includes current maturities of borrowings.

(ii) Fair Value Hierarchy

To provide an indication about the reliability of the inputs used in determining the fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level are provided as below:

Level 1:

Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2:

The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and

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rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. There are no financial instruments which needs to be measured at fair value at level 2.

Level 3:

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

There are no transfers between Level 1, Level 2 and Level 3 during the year. The Company's policy is to recognise transfer into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(iii) Valuation technique used for fair valuation

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following table shows the valuation techniques used in measuring Level 1 and Level 2 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used.

Type	Valuation Technique	Significant unobservable inputs	Inter relationship between significant unobservable inputs and fair value measurement
Principal only swap (derivatives)	The fair value is calculated as the present value of tThe fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing principal only swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the entity and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices.	Not applicable	Not applicable
Investments	The fair value of investments is based on quoted prices and on market observable inputs.	Not applicable	Not applicable

(iv) Valuation process

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. The significant level 3 inputs for determining the fair values of security deposits are discount rates using a long-term bank deposit rate as applicable to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

(v) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of borrowings and security deposits are considered to be the same as their fair values since there has been no significant change in the interest rates since inception of these financial instruments.

The fair values for security deposits were calculated based on cash flows discounted using a long-term bank deposit rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

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43 Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis Credit ratings of banks	Diversification of bank deposits, credit limits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting, Sensitivity analysis	Continuous monitoring of cash flows forecast for foreign transactions
Market risk - interest rate risk	Borrowings at floating rates	Sensitivity analysis of interest rates	Monitoring of changes in interest rates

(a) Credit risk

Trade receivables:

Company's Credit policy provides guidance to keep the risk of credit sales within an acceptable level. The Company's management monitors (at customer group level) and reviews credit limits, overdue trade receivables, provisioning and write-off of credit impaired receivables.

Trade receivables are typically unsecured and are derived from revenue earned from two main classes of markets, receivable from sales in state beverage corporation markets and receivables from sales in other markets.

The Company uses age based provision matrices for each category of customers which are applied to receivables and accordingly makes allowances.

Movement in loss allowances for trade receivables is provided below:

Particulars	31 March 2020	31 March 2019
Balance at the beginning of the year	631	538
Loss allowance (net)	624	94
Balance at the end of the year (refer note 11)	**1,255**	**631**

Loans, Investments and other financial assets:

Other financial assets' includes balances with banks, receivable under contract bottling arrangements, loans and interest accrued on such loans.

The Company recognises allowances using expected credit loss method on Other financial assets. Such allowances are measured considering 12-month expected credit loss, based on management's assessment of credit risk. Assets are written-off where there is no reasonable expectation of recovery. Where the loans or receivables are written-off the Company continues to engage in enforcement activity to attempt to recover the amounts due. Where recoveries are

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made, these are recognised in profit or loss.

Movement in loss allowances for financial assets other than for trade receivables during the reporting period is provided below:

Particulars	31 March 2020	31 March 2019
Balance at the beginning of the year	265	265
Loss allowance (net)	310	-
Write offs	-	-
Balance at the end of the year (refer note 6 and 7)	**575**	**265**

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. the Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried out by the Management of the Company in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Financing arrangements

The Company has access to the following undrawn borrowing facilities as at end of the reporting period:

Particulars	As at 31 March 2020	As at 31 March 2019
Floating rate Cash credit/ working capital loans	4,971	2,218

The above facilities may be drawn at any time and such borrowings are repayable on demand.

(INR Million)

Maturities of financial liabilities	Carrying amount	Total	Less than 1 year	1–2 years	2-5 years	More than 5 years
Contractual Maturities to Non derivative financial liabilities						
31 March 2020						
Borrowings	10,978	11,332	7,141	-	4,191	-
Trade payables	5,337	5,337	5,337	-	-	-
Lease liabilities	406	4405	127	143	163	6
Other financial liabilities	1,091	1,091	1,081	10	-	-
	17,812	**18,200**	**13,686**	**153**	**4,354**	**6**
31 March 2019						
Borrowings	14,392	14,392	8,508	1,868	4,016	-
Trade payables	4,464	4,464	4,464	-	-	-
Other financial liabilities	1,195	1,195	1,176	19	-	-
	20,051	**20,051**	**14,148**	**1,887**	**4,016**	**-**

(c) Market risk

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Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks.

(i) Foreign exchange risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which borrowings, trade payables, capital creditors, payable to related parties, trade receivables and balances with banks are denominated and the functional currency of the Company. The functional currency of the Company is INR. The currencies in which these transactions are primarily denominated are US dollars (USD) and Euros (EUR).

43. Financial risk management (Continued)

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk in INR millions is as follows:

Particulars	As at 31 March 2020							
	USD	EUR	GBP	CNY	RAND	AUD	YUAN	Total
Financial assets								
Trade receivables	43	-	-	-	-	-	-	43
Balances with banks	59	-	-	-	-	-	-	59
Non-trade receivable from related parties	35	-	-	-	-	-	-	35
Currency swap contracts	5,805	-	-	-	-	-	-	5,805
Exposure to foreign currency risk (assets)	**5,942**	**-**	**-**	**-**	**-**	**-**	**-**	**5,942**
Financial liabilities								
External Commercial Borrowings from related parties	7,915	-	-		-	-	-	7,915
Trade payables	387	206	0	-	-	1	108	702
Other current financial liabilities (capital creditors)	38	10	-	-	-	-	-	48
Exposure to foreign currency risk (liabilities)	8,340	216	0	-	-	1	108	8,665
Net exposure	**(2,398)**	**(216)**	**(0)**	**-**	**-**	**(1)**	**(108)**	**(2,723)**

Particulars	As at 31 March 2019							
	USD	EUR	GBP	CNY	RAND	AUD	YUAN	Total
Financial assets								
Trade receivables	74	-	-	-	-	-	-	74
Balances with banks	55	-	-	-	-	-	-	55
Currency swap contracts	8,569	-	-	-	-	-	-	8,569
Non-trade receivable from related parties	-	-	-	-	-	-	104	104
Exposure to foreign currency risk (assets)	8,698	-	-	-	-	-	104	8,802
Financial liabilities								
External Commercial Borrowings from related parties	7,264	-	-		-	-	-	7,264
External Commercial Borrowings from Bank	2,571	-	-		-	-	-	2,571
Trade payables	154	95	1	75	0	1	-	326
Other current financial liabilities (Capital creditors)	20	64	-		-	-	-	84

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Exposure to foreign currency risk (liabilities)	10,009	159	1	75	0	1	-	10,245
Net exposure	**(1,312)**	**(159)**	**(1)**	**(75)**	**(0)**	**(1)**	**104**	**(1,443)**

Sensitivity analysis

A reasonable fluctuation in foreign exchange rates are not expected to have a material effect on the statement of profit and loss.

(ii) Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

Exposure to interest rate risk

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are included in the table below. As at the end of the reporting period, the Company had the following variable rate borrowings and currency swap contracts outstanding:

Particulars	As at 31 March 2020	As at 31 March 2019
External commercial borrowings from related party	7,915	7,264
Net exposure to cash flow interest rate risk	**7,915**	**7,264**

Sensitivity analysis

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 1% (100 basis points) in interest rates at the reporting date would have increased/(decreased) equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(INR Million)

Particulars	Impact on loss after tax [Increase/(decrease)]		"Impact on other equity [Increase/(decrease)]	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
1% increase in interest rate	79	73	(79)	(73)
1% decrease in interest rate	(79)	(73)	79	73

44 Share based payments arrangements

Different share and share option programs allow certain employees of the Company to receive or acquire shares of Anheuser Busch InBev SA/NV, the ultimate holding Company and Budweiser Brewing Company APAC Limited, a fellow subidiary.

AB InBev has four primary share-based compensation plans, the share-based compensation plan ("ShareBased Compensation Plan"), the discretionary long-term incentive stock option plan ("LTI Stock Option Plan"), the People bet plan ("PB Plan") and the discretionary restricted stock units plan ("RSU Plan"). For all option plans, the fair value of share-based payment compensation is estimated at grant date, using a binomial Hull model, modified to reflect the Ind AS 102 Share-based Payment requirement that

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assumptions about forfeiture before the end of the vesting period cannot impact the fair value of the option.

In December 2019, a new discretionary Restricted Stock Units plan was set up by Budweiser Brewing Company APAC Limited which allows for the offer of restricted stock units (the “RSUs”) to certain eligible employees in certain specific circumstances, at the discretion of the Board, e.g. as a special retention incentive. The RSUs vest after five years and in the event that an employee’s service is terminated before the vesting date, special forfeiture rules apply. Further, in March 2020, a program was set up by Budweiser Brewing Company APAC Limited allowing for certain eligible employees to purchase Budweiser APAC shares at a discount which is aimed at providing a long-term retention incentive for high-potential eligible employees of the Company, who are at a mid-manager level (“People bet share purchase program”).

All the company sharebased payment plans are equity-settled.

The expense recognised for Share based payments arrangements for the year is INR 271 million (31 March 2019: INR 264 million). As there is no recharge expected from the group, the entire expense has been shown as ‘Equity contribution by parent company in the form of ESOP’.

Employee stock option plan:

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Number	WAEP (USD)	Number	WAEP (USD)
Outstanding at beginning of the year	357,919	93.57	130,871	96.30
Granted during the year	501,670	32.51	51,647	67.64
Forfeited during the year	12,176	98.30	2,361	96.70
Exercised during the year	18,682	103.08	2,538	75.15
Changes on account on employee movement	(43,224)	89.48	180,300	98.78
Outstanding at the end of the year	785,507	54.49	357,919	93.57

Significant assumptions used for fair valuation of ESOPs are:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Stock options:		
Expected term	5 years	5 years
Risk-free interest rates	0.38% to 0.69%	0.38% to 0.69%
Expected volatility	25.0%	23.2%
Expected dividend yield	1.0%	3.0%

Restricted Stock Units:

The following table illustrates the movements in number of RSU share awards during the year:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019

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(All Amounts in INR Millions unless otherwise stated)

Outstanding at beginning of the year	27,579	22,943
Granted during the year	350,253	1,440
Forfeited during the year	1,730	178
Exercised during the year	6,563	1,675
Changes on account on employee movement	(8,560)	5,049
Outstanding at the end of the year	360,979	27,579

The weighted average remaining contractual life for the RSU outstanding as at 31 March 2020 was 4 years (31 March 2019: 4 years).

The company measures and recognises stock based compensation for all stock-based awards, including restricted stock units (RSU's), based on their estimated fair value on grant date, and recognise the costs in financial statements over the vesting period.

The fair value of employee time-based RSUs is equal to the market value of common stock on the grant date of award.

45 Offsetting of financial assets and financial liabilities

The following table presents the recognised financial instruments that are offset:

31 March 2020	**Effects of offsetting the Balance Sheet**		
Particulars		**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
	Gross amounts	**Gross amounts set off in the balance sheet**	**Net amounts presented in the balance sheet**
Financial assets			
- Trade receivables	5,493	(1,105)	4,388
- Advance to contract bottlers	514	(37)	477
Financial liabilities			
- Trade payables	5,660	(323)	5,337
- Other current financial liabilities	6,491	(819)	5,672
31 March 2019			
Financial assets			
- Trade receivables	6,595	(758)	5,837
Financial liabilities			
- Other current financial liabilities	6,442	(758)	5,684

46 Corporate Social Responsibility expenditure ("CSR")

The provisions of Section 135(1) of Companies Act, 2013 with respect to mandatory CSR expenditure is not applicable to the Company for the current and the previous year, as a consequence of losses incurred for both the years.

47 Proposed scheme of Amalgamation of the Company with Crown Beers India Private Limited:

The Board of Directors ("Board") of Crown Beers India Private Limited ("Crown" or the "Transferor Company"), a fellow

Notes to the Financial Statements as of and for the year ended 31 March 2020

(All Amounts in INR Millions unless otherwise stated)

subsidiary, and the Company (the "Transferee Company") at their respective meetings held on 23 November 2018 considered and approved a scheme of amalgamation and arrangement (the "Scheme") in relation to the proposed merger of Crown with the Company under Sections 230 to 232 and the other applicable provisions of the Companies Act, 2013 and the rules thereof.

The parties have filed the necessary documents with the National Company Law Tribunal, Hyderabad (NCLT Hyderabad) and National Company Law Tribunal, Mumbai (NCLT Mumbai) in November 2018. The preliminary hearings with the NCLT Hyderabad and the shareholders and creditors meetings of Crown were concluded in June 2019. The preliminary hearings with the NCLT Mumbai and the shareholders and creditors meetings of the Company were concluded in May 2020. The Transferor and the Transferee Company have filed responses to the questionnaires raised by the applicable Regional Director, Official Liquidator and the Registrar of Companies. Final hearings before the NCLT Hyderabad and NCLT Mumbai are awaited.

48 Matters relating to Companies Act, 2013 (the Act)

(a) Delay in holding the Annual General Meeting ("AGM")

As required under Section 129 of the Act, financial statements for the years ended 31 March 2018, 31 March 2019 and 31 March 2020 could not be laid before the shareholders in the Annual General Meeting held by the Company pursuant to Section 96 of the Act within the stipulated time and consequentially there was a delay in filing annual return under Section 92 of the Act and financial statements with the authorities under Section 137 of the Act.

(b) Constitution of the Board of Directors, CSR Committee, Audit Committee and Nomination and Remuneration Committee

The Company had appointed an Independent Director during the year ended 31 March 2019 for a third term, thereby the appointment of the said independent director may not be in compliance with the requirements of Section 149 of the Act. Further, the Company has also not complied with the required of Section 152 of the Act in respect of retirement of directors by rotation at every annual general meeting. Consequently, the Board of Directors of the Company and the related CSR Committee, Audit Committee and Nomination and Remuneration Committee required to be formed pursuant to Sections 135, 177 and 178 of the Act were not constituted in compliance with the Act during the period from 1 April 2018 to to 29 July 2020. Subsequent to the year, the Board and its Committees under Section 135 and 177 of the Act have been constituted appropriately and all the matters and resolutions approved by the said Board not constituted appropriately have been ratified and affirmed.

(c) Prescribed manner for e-voting

The Company has not complied with the requirements of Section 108 of the Act with in respect of issuance of public notices in newspapers for providing e-voting facilities to the members at the AGM held on 30 September 2020.

(d) Non-filing of the related forms

The Company had not filed form MGT -14 relating to certain resolutions with the Registrar of Company for the period from 31 March 2019 to 22 November 2019.

(e) Non-compliance with certain Secretarial Standards with respect to general and Board meetings

The Company has not complied with certain secretarial standards with respect to general and Board meetings as specified under Section 118 of the Act.

(f) Managerial remuneration "

The managerial remuneration for the financial year ended 31 March 2020 aggregating to INR 49 million paid to a Whole-time Director includes an amount of INR 36 million paid in excess of the limits prescribed under the provisions of Section 197 read with Schedule V to the Act. In line with requirements of Section 197 of the Act, the Company would consider this matter for approval at ensuing Annual General Meeting of the Company. Further, the managerial remuneration for the financial year ended 31 March 2020 aggregating to INR 13 million paid to another Whole-time Director includes an amount of INR 0 million paid in excess of the limits prescribed as above for which the Company has accorded approval at the AGM of the Company held on 30 September 2020.

Notes to the Financial Statements as of and for the year ended 31 March 2020

(All Amounts in INR Millions unless otherwise stated)

(g) Approval of the Audit Committee for certain related party transaction

The Company had not obtained prior approval from the Audit Committee with respect to certain related party transactions in the nature of purchase of stock-in-trade aggregating to INR 108 million relating to the year. These transactions are ratified by the Audit Committee subsequent to the year end.

(h) Appointment of Company Secretary

Subsequent to the year end on 28 August 2021, the Company Secretary has resigned and vacated the said position in terms of Section 203 of the Act. The Company is in the process of filling up the vacany within the prescribed time limit as per the Act i.e. a period of 6 month from the date of such vacancy.

The Company is in the process of making applications for regularizing the matters stated above, as applicable, with the appropriate authorities. The Company believes that the penalties, if any, that may be levied by relevant authorities for the above matters would not be material to the financial statements and accordingly no provision has been made.

49 Inventory provision as at 31 March 2019

The Company was carrying a provision of INR 185 million towards slow/non-moving/ expired inventory, being raw materials, finished goods and stock in trade as at 31 March 2019. These provisions were made in the books based on the amounts as communicated by the experienced brewery managers, identified on the basis of physical inspection during the course of the perpetual inventory management process as well as on the basis of the estimated value of rejections expected to be received from the state bodies.

50 Outbreak of COVID-19

In view of the nationwide lockdown due to the outbreak of COVID-19 pandemic, the Company's operations were temporarily stopped from 25 March 2020. Operations have since resumed in staggered manner with adequate precautions being taken in accordance with Government guidelines. Management has taken appropriate action, as necessary, to scale up operations in due compliance with the applicable laws.

Management has assessed the recoverability of the carrying values of property, plant and equipment, trade receivables and other assets and adequate adjustments are made in respect of such assets as at 31 March 2020. Further, based on the management's assessment of the liquidity position of the Company for next 12 months, the Company will be able to meet all its financial obligations comfortably with the existing cash and bank balances and the projections of future cash inflows and outflows. The Company has also reviewed its contracts/ arrangements and does not expect any material impact on account of non-fulfilment of the obligations by any party. Also, refer note 10(c) regarding physical verification of inventories and note 4A(iii) regarding physical verification of property, plant and equipment.

Management has considered various internal and external information available up to the date of approval of thesefinancial statements in assessing the impact of COVID-19 pandemic in the financial statements for the year ended 31 March 2020 and will continue to monitor changes in future economic conditions. The eventual outcome of the impact of COVID-19 may be different from that estimated as on the date of approval of these financial statements."

51 The following previous year figures have been regrouped / reclassified to conform to the current year's classification as per table below:

In the Balance sheet

Particulars	**Amounts as reported in signed financial statements for 31 March 2019**	**Regrouping/ reclasses made during the year**	**Net amounts presented in the balance sheet**
ASSETS			
Non-current assets			
Goodwill (*)	21	(21)	-
Financial assets			

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Loans	2	235	237
Other financial assets	566	(21)	545
Other non-current assets	983	(70)	913
Current assets			
Financial assets			
Trade receivables	6,595	(758)	5,837
Other financial assets	125	140	265
Other current assets	1,610	(357)	1,253

Particulars	**Amounts as reported in signed financial statements for 31 March 2019**	**Regrouping/ reclasses made during the year**	**Net amounts presented in the balance sheet**
EQUITY AND LIABILITIES			
Other equity			
Reserves and surplus (*)	(1,469)	(22)	(1,490)
Liabilities			
Non-current liabilities			
Financial liabilities			
Other financial liabilities	141	(122)	19
Current liabilities			
Financial liabilities			
Trade payables			
(B) total outstanding dues of creditors other than micro and small enterprises	5,589	(1,247)	4,342
Other financial liabilities	5,148	536	5,684

(*) Capital reserves under Other equity is reduced by INR 21 million towards excess of purchase consideration over the net assets acquired pursuant to the scheme of amalgamation of the Company (the "Transferee Company") with its wholly owned subsidiary - SPR Distilleries Private Limited ("Transferor Company") in accordance with the Appendix C to Ind AS 103 on "Business Combinations", which was earlier disclosed as Goodwill under assets.

In the Statement of profit and loss

Particulars	**Amounts as reported in signed financial statements for 31 March 2019**	**Regrouping/ reclasses made during the year**	**Net amounts presented in the balance sheet**
Income			
Revenue from operations	31,564	108	31,672
Other income	684	(375)	309
Expenses			

Notes to the Financial Statements as of and for the year ended 31 March 2020

Cost of material consumed	7,662	220	7,882
Change in inventories of finished goods, work-in-progress and stock-in-trade	(295)	(223)	(518)
Employee benefits expense	1,993	(576)	1,417
Finance costs	1,418	(534)	884
Loss allowance on trade receivables and other financial assets (net)	-	94	94
Other expenses	4,742	752	5,494

Particulars	**Amounts as reported in signed financial statements for 31 March 2019**	**Regrouping/ reclasses made during the year**	**Net amounts presented in the balance sheet**
In the Statement of Cash Flows			
Cash generated from / (used in) operations	(2,625)	(196)	(2,821)
Cash generated from / (used in) investing activities	(630)	143	(487)
Cash generated from / (used in) financing activities	2,876	53	2,929

52 Subsequent events

Pursuant to the approval from members in the Extra-Ordinary General Meeting ('EGM') held on 30 November 2021 for issuance of 280,818,082 equity shares of INR 10 each at a premium of INR 37.70 per equity share aggregating to INR 13,395 million by way of conversion of the existing External Commercial Borrowings of USD 105 million (INR 7,770 million) and cash consideration of INR 5,625 million, the Company has allotted the equity shares at the meeting of the Board of Directors held on 22 December 2021.

For Price Waterhouse & Co
Chartered Accountants LLP
Chartered Accountants

For and on behalf of the Board of Directors

Amit Kumar Agrawal
Partner
Membership number: 064311
Place: Bengaluru
Date: 27 December 2021

Sapna Taneja
Director
DIN: 07032173
Place: Bengaluru
Date: 27 December 2021

Kartikeya Sharma
Director
DIN: 07728620
Place: Bengaluru
Date: 27 December 2021

Mahesh Kumar Mittal
Director
DIN: 09071616
Place: Bengaluru
Date: 27 December 2021

Meeta Aggarwal
Chief Financial Officer
Place: Bengaluru
Date: 27 December 2021

Anheuser Busch InBev India Limited
(Formerly known as SABMiller India Limited)
Regd. Office: Unit No. 301-302, Dynasty Business Park, 3rd Floor
Andheri-Kurla Road, Andheri (East), Mumbai-400 059
Tel: (022) 30913600
CIN: U65990MH1988PLC049687