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

ANNUAL REPORT
2018-2019

Contents

General Information

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
Deloitte Haskins & Sells LLP
Chartered Accountants
Prestige Trade Tower, Level 19
46, Palace Road, High Grounds,
Bengaluru-560001
Karnataka, India

Stakeholders Relationship Committee
Mr. Gagandeep Singh Sethi
Mr. Arun Monappa
Mr. Naveen Jain

Audit Committee
Mr. Arun Monappa
Ms. Sapna Taneja

Nomination and Remuneration Committee
Mr. Arun Monappa
Ms. Sapna Taneja

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

Bankers
IDBI Bank
State Bank of India
Standard Chartered Bank
HDFC Bank
Allahabad Bank
Punjab National Bank
Deutsche Bank
JP Morgan Chase Bank, N.A.
BNP Paribas Bank

Breweries
Bangalore, Karnataka
Neemrana, Rajasthan
Meerut, Uttar Pradesh
Sonepat, Haryana
Medak, Telangana
Pondicherry, Union Territory
Chalakudy, Kerala
Aurangabad, Maharashtra
Paradeep, Orrissa

- All the data furnished above is as on March 31, 2019.

Notice

Notice for the Thirtieth Annual General Meeting of Anheuser Busch Inbev India Limited

Notice is hereby given to all the members of Anheuser Busch Inbev India Limited ("**Company**") that the **30th** (Thirtieth) Annual General Meeting ("**AGM**") of the members of the Company will be held on **Wednesday, September 30, 2020 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, 2019, together with the Reports of the Board of Directors and Auditors thereon.**

2. **To appoint a Director in place of Mr. Gagandeep Sethi (DIN: 07943896), who retires by rotation and being eligible, offers himself for re-appointment**

3. **Appointment of Statutory Auditors of the Company and fix their remuneration.**

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

   "RESOLVED THAT pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) approval of the members of the Company be and is hereby accorded to appoint M/s Price Waterhouse & Co., Chartered Accountants, LLP (Firm Registration Number: 304026E/E300009) as Statutory Auditors of the Company, in place of resigning auditors Deloitte Haskins and Sells LLP, Chartered Accountants (Firm Registration Number 117366W/W-100018), to hold office for a period of 5 (five) years from the conclusion of this Annual General Meeting till the conclusion of the 35th(thirty-fifth) Annual General Meeting of the Company, in accordance with the provisions of the Companies Act 2013, for audit of financial statements of the Company, at a remuneration to be decided by the Audit Committee of the Board of Directors and/ or Board of Directors in consultation with the Statutory Auditors."

SPECIAL BUSINESS:

4. **Appointment of Ms. Rashmi Sharma (DIN: 08746775) as a Director/Independent Director of the Company.**

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

   "RESOLVED THAT Ms. Rashmi Sharma (DIN: 08746775) who was appointed as an Additional Director of the Company by the Board of Directors with effect from July 29, 2020 and who holds office upto 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 149, 152, Schedule IV 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), Ms. Rashmi Sharma (DIN: 08746775), a Non-executive Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years from July 29, 2020 to July 28, 2025."

5. **Appointment of Mr. Kartikeya Sharma (DIN: 07728620) as Director of the Company.**

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

   "RESOLVED THAT Mr. Kartikeya Sharma (DIN: 07728620) who was appointed as an Additional Director of the Company by the Board of Directors with effect from September 04, 2020 and who holds office upto the date of the forthcoming Annual General

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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 his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

6. **Appointment of Mr. Kartikeya Sharma (DIN: 07728620), 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. Kartikeya Sharma (DIN: 07728620) as Whole-time Director of the Company for a period of 5 (five) years with effect from September 04, 2020 on the terms and conditions including remuneration as approved by the Nomination and Remuneration Committee as set out below:

   Salary: As may be fixed by the Board of Directors from time to time, subject to a maximum of ₹ 1,80,00,000/- (Rupees One Crore Eighty Lakhs only) per annum, including performance bonus as may be determined by the Board of Directors;

   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."

7. **Re-appointment of Mr. Gagandeep Singh Sethi (DIN: 07943896) as a 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 amendment(s) or re-enactment(s) thereof, for the time being in force) and the articles of association of the Company,, approval of the members be and is hereby accorded for re-appointment of Mr. Gagandeep Singh Sethi (DIN: 07943896) as a Whole-time Director, designated as Executive Director, for a period of 5 (five) years with effect from September 21, 2020 on the terms and conditions including remuneration as approved by the Nomination and Remuneration Committee as set out below:

   Salary: As may be fixed by the Board of Directors from time to time, subject to a maximum of 1,40,00,000/- (Rupees One Crore Forty Lakhs only) per annum, including performance bonus as may be determined by the Board of Directors;

   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

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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."

8. **Ratification of excess remuneration paid to Mr. Gagandeep Singh Sethi, Whole-time director of the Company.**

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

"**RESOLVED THAT** pursuant to the provisions of Sections 197, 198 read with Schedule V and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as may be applicable (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and based on the approval of the Nomination & Remuneration Committee and the Board of Directors of the Company and to the extent required in this regard, the consent of the Members of the Company be and is hereby accorded for ratification of excess remuneration paid for the financial year ended 31st March, 2020 and for the period from 1st April, 2020 to 31st August, 2020, by way of salary, performance linked incentive, perquisites and any other allowances to Mr. Gagandeep Singh Sethi, Whole-time Director of the Company, as detailed in the explanatory statement.

"**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."

9. **Re-appointment of Ms. Sapna Taneja (DIN: 07032173) as an Independent Director of the company.**

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, and other applicable provisions, if any, of the Companies Act 2013 ("the Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act as may be applicable (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Ms. Sapna Taneja (DIN 07032173), who was appointed as an Independent Director with effect from November 27, 2017 for a period of three years and who holds office up to November 26, 2020 and who is eligible for being re-appointed and who meets the criteria for independence as provided in Section 149(6) of the Act and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under section 160 (1) of the Companies Act, 2013 proposing her candidature for the office of Director, be re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing November 27, 2020 to November 26, 2025, be and is hereby approved."

"**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
Sd/-
Gagandeep Singh Sethi
Whole Time Director
DIN: 07943896
Address:716, Model Town, PSD IV No-6,
District Jalandhar, Chandigarh – 144003,
Haryana, India

September 04, 2020
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, September 30, 2020 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 2018-19 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 2018-19 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 Nishi.Vijayvargiya@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,

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Maharashtra at their e-mail: support@sharexindia.com and evoting@sharexindia.com.

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 Sunday, September 27, 2020 at 9:00 a.m. (IST) and ends on Tuesday, September 29, 2020 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 Wednesday, September 23, 2020 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

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log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once 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) 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.

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Details on Step 2 are given below:

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

(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:

(x) 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 Nishi.Vijayvargiya@in.ab-inbev.com.

(xi) 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 Nishi.Vijayvargiya@in.ab-inbev.com.

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.

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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, Wednesday, September 23, 2020.

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, Wednesday, September 23, 2020,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. 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. 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 Nishi.Vijayvargiya@in.ab-inbev.com.

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 Nishi.Vijayvargiya@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 .

Notice (Contd.)

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.
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 to Nishi.Vijayvargiya@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. 4

The Board of Directors of the Company at its meeting held on July 29, 2020, appointed Ms. Rashmi Sharma as an additional director of the Company with effect from July 29, 2020, 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 Ms. Rashmi Sharma as an Independent 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 Ms. Rashmi Sharma to be appointed as Director of the Company.

The Company has received a declaration from Ms. Rashmi Sharma confirming that she meets the criteria of independence under CA 2013. Further, the Company has also received Ms. Rashmi Sharma's consent to act as a Director in terms of Section 152 of CA 2013 and a declaration that she is not disqualified from being appointed as a Director in terms of Section 164 of CA, 2013.

In the opinion of the Board, Ms. Rashmi Sharma fulfils the conditions specified in CA 2013 and rules made thereunder, for her appointment as an Independent Director of the Company and she is independent of the management.

Ms. Rashmi Sharma is an experienced legal professional and solicitor and specializes in transaction advisory in general commercial corporate space, merger and acquisitions, private equity, debt-raise and start-ups. She has rich experience of having worked in varied work environment in Asia and Europe and of practice as solicitor in India, Hongkong and London. She is currently associated with Bedrock Partners as a Partner and works as a legal consultant for Premji Invest, Bangalore.

Considering her deep repository of knowledge and experience in the corporate sector, sharp business acumen, and as a strong votary of the highest standards of corporate governance, the Board of Directors is of the opinion that it would be in the interest of the Company to appoint her as an Independent Director for a period of 5 (five) years with effect from July 29, 2020.

Copy of letter of appointment of Ms. Rashmi Sharma 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 Ms. Rashmi Sharma, pursuant to the Secretarial Standards on General Meetings (SS-2), is given at **Annexure A** to this Notice. Brief profile of Ms. Rashmi Sharma is given at **Annexure B** to this Notice.

Except Ms. Rashmi Sharma, 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. 4 for approval of the members by way of an Ordinary Resolution.

Item No. 5 & 6

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on September 04, 2020, appointed Mr. Kartikeya Sharma as an additional director, to hold office as Director till the date of the Annual General Meeting pursuant to Section 161 of the Act.

Notice (Contd.)

The Board had also appointed him as the Whole-time Director of the Company with effect from September 04, 2020 for a period of 5 (five) years, subject to the approval of the members in the general meeting.

Mr. Kartikeya Sharma has over 15 (fifteen) years of experience in marketing and business development in the beer industry. He has a long association with the Company in key positions in the sales vertical and considering his exceptional leadership track record and proven experience of driving transformation and management, the Board of Directors believe that Mr. Kartikeya Sharma, in the capacity of Whole Time Director of the Company, is the right person to lead the Company in its next phase of growth.

The Company has also received a notice in writing from a member proposing the candidature of Mr. Kartikeya Sharma to be appointed as Director of the Company.

In accordance with the provisions of Section 152, 196, 197, 198 and 203 and other applicable provisions of CA 2013, approval of the members is required for appointment of Mr. Kartikeya Sharma as the Whole-time Director of the Company with effect from September 04, 2020.

Also, pursuant to the provisions of Section 196, 197 and 198 of CA 2013 read with Schedule V, a company having inadequate / nil profits, may subject to certain conditions including the passing of a special resolution, pay such remuneration to its managerial personnel as may be decided by the Board of Directors on the recommendation of Nomination and Remuneration Committee.

The details of proposed remuneration to be paid to Mr. Kartikeya Sharma, Whole-time Director with effect from September 04, 2020 to September 03, 2023 or such shorter period as may be prescribed under applicable laws is as under:

Salary: As may be fixed by the Board of Directors from time to time, subject to a maximum of ₹ 1,80,00,000/- (Rupees One Crore Eighty Lakhs only) per annum, including performance bonus as may be determined by the Board of Directors.

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.

It is informed that the Board at its meeting held on September 04, 2020 and the Nomination and Remuneration Committee of the Company at their meeting held on September 04, 2020 have, amongst other things, approved and recommended the members to approve the payment of aforesaid remuneration to Mr. Kartikeya Sharma, by way of special resolution, in accordance with the applicable provisions of CA 2013.

Further, pursuant to Section 197 and any other applicable provisions of CA 2013, read along with Schedule V thereto, where a company has no profits or its profits are inadequate, it may pay any remuneration to the managerial personnel provided that, amongst others, a statement along with a notice calling the general meeting contains certain information.

Notice (Contd.)

The statement of disclosures under Section 197 of CA 2013 read along with the rules framed thereunder and Schedule V is provided below:

<table>
<tr><th colspan="3">GENERAL INFORMATION</th></tr>
<tr><td>1.</td><td>Nature of Industry</td><td>Manufacture and Sale of Beer</td></tr>
<tr><td>2.</td><td>Date or expected date of commencement of commercial production</td><td>The Company was incorporated on November 18, 1988.</td></tr>
<tr><td>3.</td><td>In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus</td><td>Not Applicable.</td></tr>
<tr><td>4.</td><td>Financial performance based on given indicators</td><td>
<table>
<tr><th rowspan="2">Particulars</th><th colspan="2">Standalone (₹ In Million)</th></tr>
<tr><th>2018 -19</th><th>2017 - 2018</th></tr>
<tr><td>Total income</td><td>32,247.54</td><td>32,798.52</td></tr>
<tr><td>Total operating expenses</td><td>32,083.45</td><td>31,443.80</td></tr>
<tr><td>Earnings before interest, tax, depreciation and amortization (EBITDA)</td><td>164.09</td><td>1,354.72</td></tr>
<tr><td>Less: Depreciation and Amortization Expenses and Finance expenses</td><td>3,209.69</td><td>2,458.91`</td></tr>
<tr><td>Profit / (Loss) before taxation</td><td>(3,045.60)</td><td>(1,104.19)</td></tr>
<tr><td colspan="3">Tax expense:</td></tr>
<tr><td>(a) Current tax</td><td>-</td><td>-</td></tr>
<tr><td>(b) Pertaining to earlier years</td><td>-</td><td>30.23</td></tr>
<tr><td>Profit / (Loss) after tax</td><td>(3045.60)</td><td>(1134.42)</td></tr>
</table>
</td></tr>
<tr><td>5.</td><td>Foreign investments or collaborations, if any.</td><td>The table below provides details of foreign investment in the Company as on 31st March 2020:
<table>
<tr><th>Name of the foreign investor</th><th>Nature of investment</th><th>% of shares held</th></tr>
<tr><td>AB Inbev Asia B.V.</td><td>Equity shares</td><td>75.49</td></tr>
<tr><td>Anheuser-Busch InBev Breweries Private Limited</td><td>Equity shares</td><td>23.04</td></tr>
<tr><td>SABMiller India Holdings</td><td>Equity shares</td><td>0.907</td></tr>
<tr><td>Austindia Pty Limited</td><td>Equity shares</td><td>0.268</td></tr>
</table>
</td></tr>
<tr><th colspan="3">INFORMATION ABOUT THE APPOINTEE</th></tr>
<tr><td>6.</td><td>Background details</td><td>Mr. Kartikeya Sharma has long association of over 15 years with the Company. He has a deep understanding of the consumer coupled with the dynamics of the industry and commercial acumen.</td></tr>
<tr><td>7.</td><td>Past remuneration</td><td>Not Applicable</td></tr>
<tr><td>8.</td><td>Recognition or awards</td><td>NIL</td></tr>
<tr><td>9.</td><td>Job profile and his suitability</td><td>Mr. Kartikeya Sharma as Whole Time Director will be responsible to deliver the business objectives of the Company. He has the relevant industry experience and has already played a key role in the various leadership positions held by him previously in the Company. Accordingly, he is well suited to be appointed to lead the Company as a Whole Time Director.</td></tr>
</table>

Notice (Contd.)

10.	**Remuneration proposed**	**Salary:** As may be fixed by the Board of Directors from time to time, subject to a maximum of ₹ 1,80,00,000/- (Rupees One Crore Eighty Lakhs only) per annum, including performance bonus as may be determined by the Board of Directors. **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.
11.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration drawn by Whole Time Director is comparable with the remuneration drawn by Whole Time Director of similarly sized companies in the Beer industry. The compensation is determined in accordance with the Remuneration Policy of the Company and basis the remuneration for persons of his qualification, experience and the responsibility assigned.
12.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Mr. Kartikeya Sharma has no pecuniary relationship directly or indirectly either with the company or with any managerial personnel, except to the extent of proposed remuneration.
	OTHER INFORMATION	
13.	Reasons of loss or inadequate profits	The company incurred losses due to huge operational cost.
14.	Steps taken or proposed to be taken for improvement	The Management has commenced work on and intends to commence various initiatives for future revenue growth from new strategic key units (brands) focused on premiumization, revisions in volume, positive outcome on duty reductions through moderation agenda etc., and anticipates that over a period, these initiatives would result in improved sales and margins, supported by the cost reduction measures
15.	Expected increase in productivity and profits in measurable terms	The Company does not give futuristic financial guidance.

It is informed that Mr. Kartikeya Sharma satisfies all the conditions set out in Part-I of Schedule V to CA 2013 as also conditions set out under Section 196 (3) of CA 2013 for being eligible for his appointment. He is not disqualified from being appointed as a Director in terms of Section 164 of CA 2013.

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Kartikeya Sharma under Section 190 of CA 2013.

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

Except Mr. Kartikeya Sharma, being the appointee, or his 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 Nos. 5 & 6.

The Board of Directors recommends the resolution in relation to appointment of Mr. Kartikeya Sharma as the Director and Whole-time Director of the Company and approval of payment of remuneration to him, as set out in Item Nos. 5 & 6 for approval of the Members.

Notice (Contd.)

Item No. 7

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on September 04, 2020 has, subject to approval of members, re-appointed Mr. Gagandeep Singh Sethi (DIN: 07943896) as a Whole-time Director, designated as Executive Director of the Company, for a period of 5 (five) years from the expiry of his present term, i.e. with effect from September 21, 2020, on terms and conditions including payment of remuneration, as recommended by the Nomination and Remuneration Committee of the Board.

Members' approval is sought for the re-appointment of and remuneration payable to Mr. Gagandeep Singh Sethi as a Whole-time Director, designated as Executive Director of the Company, in terms of the applicable provisions of CA 2013.

Also, pursuant to the provisions of Section 196, 197 and 198 of CA 2013 read with Schedule V, a company having inadequate / nil profits, may subject to certain conditions including the passing of a special resolution, pay such remuneration to its managerial personnel as may be decided by the Board of Directors on the recommendation of Nomination and Remuneration Committee.

The details of proposed remuneration to be paid to Mr. Gagandeep Singh Sethi, Whole-time Director with effect from September 21, 2020 to September 20, 2023 or such shorter period as may be prescribed under applicable laws is as under:

Salary: As may be fixed by the Board of Directors from time to time, subject to a maximum of ₹ 1,40,00,000/- (Rupees One Crore Forty Lakhs only) per annum, including performance bonus as may be determined by the Board of Directors.

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.

It is informed that the Board at its meeting held on September 04, 2020 and the Nomination and Remuneration Committee of the Company at their meeting held on September 04, 2020 have, amongst other things, approved and recommended the members to approve the payment of aforesaid remuneration to Mr. Gagandeep Singh Sethi, by way of special resolution, in accordance with the applicable provisions of CA 2013.

Further, pursuant to Section 197 and any other applicable provisions of CA 2013, read along with Schedule V thereto, where a company has no profits or its profits are inadequate, it may pay any remuneration to the managerial personnel provided that, amongst others, a statement along with a notice calling the general meeting contains certain information.

The statement of disclosures under Section 197 of CA 2013 read along with the rules framed thereunder and Schedule V is provided below:

GENERAL INFORMATION		
1.	Nature of Industry	Manufacture and Sale of Beer
2.	Date or expected date of commencement of commercial production	The Company was incorporated on November 18, 1988.
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable.

Notice (Contd.)

<table>
<tr><td>4.</td><td>Financial performance based on given indicators</td><td>
<table>
<tr><th rowspan="2">Particulars</th><th colspan="2">Standalone
(₹ In Million)</th></tr>
<tr><th>2018 -19</th><th>2017 - 2018</th></tr>
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<tr><td>Total operating expenses</td><td>32,083.45</td><td>31,443.80</td></tr>
<tr><td>Earnings before interest, tax, depreciation and amortization (EBITDA)</td><td>164.09</td><td>1,354.72</td></tr>
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<tr><td>Profit / (Loss) after tax</td><td>(3045.60)</td><td>(1134.42)</td></tr>
</table>
</td></tr>
<tr><td>5.</td><td>Foreign investments or collaborations, if any.</td><td>
The table below provides details of foreign investment in the Company as on March 31, 2020:
<table>
<tr><th>Name of the foreign investor</th><th>Nature of investment</th><th>% of shares held</th></tr>
<tr><td>AB Inbev Asia B.V.</td><td>Equity shares</td><td>75.49</td></tr>
<tr><td>Anheuser-Busch InBev Breweries Private Limited</td><td>Equity shares</td><td>23.04</td></tr>
<tr><td>SABMiller India Holdings</td><td>Equity shares</td><td>0.907</td></tr>
<tr><td>Austindia Pty Limited</td><td>Equity shares</td><td>0.268</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><th colspan="3">INFORMATION ABOUT THE APPOINTEE</th></tr>
<tr><td>1.</td><td>Background details</td><td>Mr. Gagandeep Singh Sethi is an Engineer. He has a long experience of dealing in a variety of facets of technical operations.</td></tr>
<tr><td>2.</td><td>Past remuneration (in ₹)</td><td>
<table>
<tr><th>S. No.</th><th>Financial Year</th><th>Remuneration Paid (₹)</th></tr>
<tr><td>1.</td><td>2017-18 (from 21/09/2017 to 31/03/2018)</td><td>62,43,320</td></tr>
<tr><td>2.</td><td>2018-19</td><td>98,75,003</td></tr>
<tr><td>3.</td><td>2019-20</td><td>1,26,59,756</td></tr>
</table>
</td></tr>
<tr><td>3.</td><td>Recognition or awards</td><td>NIL</td></tr>
<tr><td>4.</td><td>Job profile and his suitability</td><td>Mr. Gagandeep Singh Sethi as Whole Time Director has been responsible to deliver the business objectives of the company as set by the Board of Directors. He has the relevant industry experience in various functions in a leadership role and accordingly he is well suited to continue to lead the Company as a Whole Time Director.</td></tr>
</table>

Notice (Contd.)

5.	Remuneration proposed	**Salary:** As may be fixed by the Board of Directors from time to time, subject to a maximum of ₹ 1,40,00,000/- (Rupees One Crore Forty Lakhs only) per annum, including performance bonus as may be determined by the Board of Directors. **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.
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration drawn by Whole Time Director is comparable with the remuneration drawn by Whole Time Director of similarly sized companies in the Beer industry. The compensation is determined in accordance with the Remuneration Policy of the Company and basis the remuneration for persons of his qualification, experience and the responsibility assigned.
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Mr. Gagandeep Singh Sethi has no pecuniary relationship directly or indirectly either with the company or with any managerial personnel, except to the extent of proposed remuneration.
	OTHER INFORMATION	
8.	Reasons of loss or inadequate profits	The company incurred losses due to huge operational cost.
9.	Steps taken or proposed to be taken for improvement	The Management has commenced work on and intends to commence various initiatives for future revenue growth from new strategic key units (brands) focused on premiumization, revisions in volume, positive outcome on duty reductions through moderation agenda etc., and anticipates that over a period, these initiatives would result in improved sales and margins, supported by the cost reduction measures
10.	Expected increase in productivity and profits in measurable terms	The Company does not give futuristic financial guidance.

It is informed that Mr. Gagandeep Singh Sethi satisfies all the conditions set out in Part-I of Schedule V to CA 2013 as also conditions set out under Section 196 (3) of CA 2013 for being eligible for his re-appointment. He is not disqualified from being appointed as a Director in terms of Section 164 of CA 2013.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Gagandeep Singh Sethi under Section 190 of CA 2013.

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

Except Gagandeep Singh Sethi, or his 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. 7.

The Board of Directors recommends the resolution in relation to re-appointment of Mr. Gagandeep Singh Sethi and approval of payment of remuneration, as set out in Item No. 7 for approval of the Members by way of an Special Resolution.

Item No. 8

The Board at its meeting held on September 04, 2020 and as approved by the Nomination and Remuneration Committee have, ratified excess remuneration paid to Mr. Gagandeep Singh Sethi as Whole-time Director of the Company beyond the limits as approved by the members of the Company at the 28th AGM held on 28th December, 2017 and subject to the compliance of Schedule V of the Companies Act, 2013, for the financial year ended 31st March, 2020 and for the period from 1st April, 2020 to 31st August, 2020.

Notice (Contd.)

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

Effective Capital as on March 31, 2020 (₹ In Crore)*	Prescribed Limit under Schedule V of Companies Act, 2013 (₹)	Amount of Remuneration paid for FY 2019-20 (₹)	Excess amount Paid (₹)
477.887	1,22,27,887	1,26,59,756	4,31,869

*Effective Capital is as per un-audited Financial Statements.

Approval of the members of the Company by way of special resolution is required to consider, approve and ratify payment of remuneration beyond prescribed limits and waive recovery of the amount of excess remuneration paid to Mr. Gagandeep Singh Sethi.

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.

Except Gagandeep Singh Sethi, or his 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. 8.

Item No. 9

The Members had appointed Ms. Sapna Taneja as Non-Executive Independent Director of the Company for a period of three years commencing from 27th November, 2017. Accordingly, the first term of Ms. Sapna Taneja as Independent Director concludes on 26th November, 2020.

The Company has received a notice in writing from a Member of the Company proposing the candidature of Ms. Sapna Taneja for the office of Director of the Company. The Board of Directors on recommendation of the Nomination and Remuneration Committee, has recommended the re-appointment of Ms. Sapna Taneja as Independent Director of the Company for a second term of five years commencing from 27th November, 2020 to 26th November, 2025, not being liable to retire by rotation

In terms of Section 149 and other applicable provisions of the Act, Ms. Sapna Taneja is eligible to be re-appointed as Independent Directors of the Company and has given declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Act and she is independent of the management.

Ms. Sapna Taneja, aged 53 Years is a graduate from University of Delhi and a Post Graduate in Apparel Merchandising and Marketing from the National Institute of Fashion Technology, NewDelhi, India. She has a rich experience of 27 years of demonstrated achievement in all phases of product sourcing and supply chain logistics.

Considering her immense experience and expertise, the Board of Directors is of the opinion that it would be in the interest of the Company to re-appoint her as an Independent Director for a period of 5 (five) years with effect from November 27, 2020.

Copy of letter of appointment of Ms. Sapna Taneja 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 Ms. Sapna Taneja, pursuant to the Secretarial Standards on General Meetings (SS-2), is given at **Annexure A** to this Notice. Brief profile of Ms. Sapna Taneja is given at **Annexure B** to this Notice.

Except Ms. Sapna Taneja, 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. 9.

The Board of Directors recommends the resolution as set out in Item No. 9 for approval of the members by way of a Special Resolution.

By order of the Board
Anheuser Busch Inbev India Limited

Sd/-
Gagandeep Singh Sethi
Whole Time Director
DIN: 07943896
Address: 716, Model Town, PS DIV No-6, District Jalandhar, Chandigarh – 144003, Haryana, India

September 04, 2020
Bengaluru, India

Notice (Contd.)

ANNEXURE A

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

Name of the Director	**Ms. Rashmi Sharma**	**Mr. Kartikeya Sharma**	**Mr. Gagandeep Singh Sethi**	**Ms. Sapna Taneja**
Directors Identification Number (DIN)	08746775	07728620	07943896	07032173
Date of Birth	July 05, 1972	July 30, 1981	December 15, 1974	May 03, 1967
Age	48 Years	39 Years	45 Years	53 Years
Date of Appointment	July 29, 2020	September 04, 2020	September 21, 2020	November 27, 2020
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None	None	None	None
Expertise in specific functional area	General Corporate Commercial Space, Merger and Acquisitions, Private Equity, Debt Raise and Start-Ups	Marketing and Business Development	Technical Operations	Product Sourcing and Supply Chain Logistics
Qualification(s)	Solicitor, Law Society of Hong Kong Solicitor (England and Wales), The Law Society, London	· Bachelor's in Economics · Mastering Marketing from IIM-Lucknow · MBA from Harvard Business School	Engineer	Post graduate in Apparel merchandising and marketing
Number of equity shares held in the Company as at March 31, 2020	NIL	NIL	NIL	NIL
Other Directorships, Membership/ Chairmanship of Committees of other public limited companies, if any, as on March 31, 2020	Other Directorships: Prosper Finance & Consulting Privatelimited	Other Directorships: Anheuser Busch Inbev Breweries Private Limited	Other Directorships: None	Other Directorships: 1. Ascena Global Innovation Center LLP 2. Nyt News Bureau (India) Private Limited 3. Outbrain India Private Limited 4. Vertex Tax Solutions India Private Limited 5. Mulesoft India Private Limited

Notice (Contd.)

Name of the Director	Ms. Rashmi Sharma	Mr. Kartikeya Sharma	Mr. Gagandeep Singh Sethi	Ms. Sapna Taneja
Justification for choosing the appointee(s) for appointment as Independent Directors	Her deep repository of knowledge and experience in the Corporate sector, sharp business acumen, and her dedication towards corporate governance makes her an appropriate candidate for appointing as Independent Director.	Not Applicable	Not Applicable	Her deep repository of knowledge and experience in the Corporate sector, sharp business acumen, and her dedication towards corporate governance makes her an appropriate candidate for appointing as Independent Director.
Terms and conditions of appointment along with details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable	Ms. Rashmi is being appointed as an Independent Director for a period of 5 (five) years from July 29, 2020 to July 28, 2025. She will not be paid any remuneration for holding the office of Independent Director. However, she will be entitled to payment of sitting fees, as may be decided by the Board of Directors. Other terms and Conditions of her appointment may be referred to in the Appointment Letter available for inspection electronically.	Mr. Kartikeya Sharma is being appointed as the Whole-Time Director of the Company for a period of 5 (five) years at the following remuneration: **Salary**: As may be fixed by the Board of Directors from time to time, subject to a maximum of ₹ 1,80,00,000/- (Rupees One Crore Eighty Lakhs only) per annum, including performance bonus as may be determined by the Board of Directors. **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.	Mr. Gagandeep Singh Sethi is being re-appointed as the Whole-Time Director of the Company for a period of 5 (five) years at the following remuneration: **Salary**: As may be fixed by the Board of Directors from time to time, subject to a maximum of ₹ 1,40,00,000/- (Rupees One Crore Forty Lakhs only) per annum, including performance bonus as may be determined by the Board of Directors. **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.	Ms. Sapna Taneja is being re-appointed as an Independent Director for a period of 5 (five) years from November 27, 2020 to November 26, 2025. She will not be paid any remuneration for holding the office of Independent Director. However, she will be entitled to payment of sitting fees, as may be decided by the Board of Directors. Other terms and Conditions of her appointment may be referred to in the Appointment Letter available for inspection electronically.
Number of Meetings of the Board attended during the year	During FY 18-19, she was not a Director on the Board.	During FY 18-19, she was not a Director on the Board.	During FY 18-19, he has attended all 5 Meetings of the Board of Directors he was entitled to attend.	During FY 18-19, she has attended all 5 Meetings of the Board of Directors he was entitled to attend.

Notice (Contd.)

ANNEXURE B

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

Ms. Rashmi Sharma, Independent Director

Ms. Rashmi Sharma is an experienced legal professional and Solicitor and specializes in transaction advisory in general commercial corporate space, merger and acquisitions, private equity, debt-raise and start-ups. She is a Solicitor with the Law Society of Hong Kong, a Solicitor with the Law Society, London and a Solicitor with Bombay Incorporated Law Society. She has a rich and varied exposure of transaction advisory across industries including brewery clients. She has represented a Singapore based brewery on sale of its Indian business which was a part of the larger transaction involving purchase by the client of Indonesian brewery business. Besides, she has also advised two leading multi-national brands on their respective joint-venture with a well-known Indian company and restructuring the brand's existing franchise arrangement; represented a Japanese company in setting up SEZ partnership with two Indian companies, represented one of the largest steel companies of India for business acquisition as purchaser for transaction size of USD 150 million; represented a multinational on its joint venture with an Indian company with a deal size of USD 400 million in a complex transaction involving joint-venture, de-merger and a business sale; advised a microfinance entity converting to a small finance bank on debt raise, mezzanine debt raise and capital raise totaling to USD 457 million and rendered transaction advisory to PE Fund for last couple of years and overseeing negotiation and transaction documentation relating to private equity deals and fund documents notably its investment sizing USD 257 million in a leading General Insurance company.

She has also authored two chapters on Due Diligence and Money Laundering for a book on Corporate Governance and Money Laundering for LexisNexis, a renowned publication and has also co-authored a book on 'Dividend under Company Law'.

She has served at various positions with reputed law firms and corporates and has exposure to work environment across Asia and Europe. She is currently a Partner in Bedrock Partners, boutique law firm, which focuses on Business Crime & Investigations, Corporate, Compliance and Dispute Resolution, with offices in New Delhi and Bangalore. She is also the Legal Consultant of Premji Invest, Bangalore.

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. He is currently associated with the Company in the capacity of President of South Asia Operations.

Mr. Gagandeep Singh Sethi, Whole Time Director

He started his professional career as a Graduate Engineering Trainee with Nestle India Ltd. He has diversified experience of almost 22 years working with MNC FMCG companies like Nestle, Cadbury, Reckitt Benckiser and SABmiller India involving exposure into various streams of Factory operations - Maintenance, Production, Environment Health & Safety, Project Management.

He also has previous experience of commissioning Green fields & brown field expansion projects in various capacities, handling a gamut of Project activities viz : Legal / Statutory clearances & approvals, Project Management, Installation & Commissioning , Validations, Factory Organization Setup – Recruitment, Induction & Training at all levels for a startup venture. He has been in role of Plant Head in organisations and led Change management process, implemented WCM practices & delivery excellence.

He also headed the engineering, packaging operations & development, EHS & sustainability development function at SABmiller India as VP Technical Services, has been responsible for engineering & maintenance strategy & standards deployment, packaging operations efficiencies improvements, packaging development & NPD, utilities efficiencies improvement, sustainability development road map involving energy, water, carbon footprint reduction, projects, capability development in engineering, packaging & utilities function, EHS program development & implementation at pan India level.

As Director Technical, he has headed the technical & supply chain planning function of Kgalagadi Breweries Limited, SABMiller Plc., Botswana.

Currently as Director Supply & Logistics, he is heading the manufacturing, supply planning and logistics function of the Company.

Ms. Sapna Taneja, Independent Director

Ms. Sapna Taneja, aged 53 Years is a graduate from University of Delhi and a Post Graduate in Apparel Merchandising and Marketing from the National Institute of Fashion Technology, NewDelhi, India. She has a rich experience of 27 years of demonstrated achievement in all phases of product sourcing and supply chain logistics.

She has been associated with the Company for last three years in the capacity of Independent Director. She is a Director on the Boards of multiple companies like Ascena Global Innovation Center Llp, NYT News Bureau (India) Private Limited, Outbrain India Private Limited, Vertex Tax Solutions India Private Limited and Mulesoft India Private Limited and brings a diverse experience with herself.

Report of Board of Directors

Dear Members,

Your Directors have the pleasure in presenting their 30th Report and the Statement of accounts for the year ended 31st March 2019.

1. State of Affairs

(Rupees in Crores)

Particulars	Financial Year 2018-19	Financial Year 2017-18
Revenue from operations	3156.34	3042.91
Profit/(Loss) before taxation	(304.56)	(110.42)
Provision for taxation		(3.02)
Other comprehensive income	(0.07)	(0.58)
Total comprehensive income for the year	(304.63)	(114.02)

2. Operations

The year 2018-19 noticed an increase in revenue mainly on account of increasing focus on premiumization, introduction of Beck's ice which has higher margin as compared to core brands, 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.

The Company's Board of Directors at its meeting held on August 3, 2018 has approved a Scheme of Amalgamation of the Company (the "Transferee Company") with its wholly owned subsidiary - SPR Distilleries Private Limited ("Transferor Company") and their respective shareholders and creditors in terms of the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Company has received the approval from the Regional Director for the amalgamation with an appointed date of April 1, 2018. The scheme is effective from November 29, 2018. In accordance with the requirements of Appendix C of Ind AS 103 Business Combination, the financial statements of the corresponding period in the previous year has been restated as if the amalgamation had occurred from the beginning of the preceding period in the financial statements.

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. Events subsequent to the date of financial statements

On 19th December, 2019, EGM was held & members approved the following :

1) increase in the authorized share capital and alteration in the capital clause of the Memorandum of Association of the Company

2) Issuance of equity shares of the Company on private placement cum preferential basis to AB Inbev Asia B.V.

   On 28th day of may, 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"

4. Dividend

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

Report of Board of Directors (Contd.)

5. **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 2018 with expansion into new markets, execution of large scale through-the-line marketing campaigns like FIFA World Cup, BUDX, Music, 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 Corona has already begun in Maharashtra and Karnataka.

7 **rivers**

This brand comes under the 'Craft Beer' category and hence has immense potential to grow based on the craft market landscape.

The unique quality of this brand are the palette friendly flavours and the "out of box" packaging. This brand has gathered wide digital presence and has achieved 98% positive response on the liquid.

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.

Our company continues to maintain its impressive record on industrial relations without any interruption to work.

We were nominated by LinkedIn as the #5 company to work in India.

6. **Subsidiaries, Joint Venture and Associate Companies**

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

7. **Change in Nature of Business, if any**

There is no change in nature of Business of Company.

8. **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.

9. **Board Meetings**

During the year under review, the Board of Directors met 5 times i.e., May 18, 2018, 03rd August 2018, 25th October,2018, 23rd Nov,2018, 19th March,2019.

10. **Directors**

Mr. Gagandeep Singh Sethi and Ben Magda J Verhaert are the Whole Time Director of the Company.

Ms. Rashmi Sharma and Ms. Sapna Taneja are the Independent Directors of the Company

11. **Key Managerial Personnel**

Mr. Anil Arya has resigned from the position of Chief Financial Officer of the Company effective from October 12, 2018.

Report of Board of Directors (Contd.)

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

Mr. Cherian Kurien was appointed as the Chief Financial Officer of the Company effective from 11th April 2019.

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

12. 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.

13. 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.

14. Composition of Audit Committee

During the year, the Audit Committee was re-constituted. The present members of the Committee are Ms. Rashmi Sharma and Ms. Sapna Taneja, Independent Directors of the Company.

15. Nomination and Remuneration Committee

The Nomination and Remuneration Committee was re-constituted during the year. The present members of the Committee are Ms. Rashmi Sharma and Ms. Sapna Taneja, Independent Directors of the Company.

16. Stakeholders Relationship Committee

The Stakeholders Relationship Committee was duly constituted as per provisions of The Companies Act, 2013.

17. 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.

18. Report as per 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.

1. No. of complaints received- 3
2. No. of complaints disposed off- 3
3. No. of cases pending for more than 90 days- 3

19. 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).

20. 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, 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 at the end of the financial year 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 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.

21. 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.

22. Auditors

M/s. Deloitte Haskins & Sells LLP (Firm registration no. 117366W) appointed as Statutory Auditors of the company to hold office for a period of five years i.e., upto the financial year ending 31st March 2022, subject to ratification of their appointment at every annual general meeting. Ratification of appointment of such auditor shall be subject to approval by the shareholders of the Company at the ensuing annual general meeting.

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.	Impairment	Though the Company continues to make operational losses due to various market constraints, the Management has commenced work on and intends to commence various initiatives for future revenue growth from new strategic key units (brands) focused on premiumization, revisions in volume, positive outcome on duty reductions through moderation agenda etc., and anticipates that over a period, these initiatives would result in improved sales and margins, supported by the cost reduction measures. The Management is confident of being able to achieve the proposed results through the above ongoing and planned initiatives. Based on these favorable outcomes projected by the Management, it is of the opinion that the recoverable value of its property, plant and equipment, including capital work in progress and intangible assets, exceeds the carrying value and accordingly no impairment under Ind AS 36 needs to be considered as of March 31, 2019.
2.	Contract bottlers reconciliation	The company has received a confirmation from one contract bottler where there is a variance against our book balance which is in the process of being reconciled.
3.	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.
4	Valuation of shares	As per Section 62 (1) (C) of the Companies Act, 2013, the price of such shares is to be determined as per the valuation report of a registered valuer. The Company has obtained the valuation report from a registered valuer who has considered the price at which the preferential offer was made in 2013 as representative of the value of shares issued in the current year, i.e. ₹ 56 per share.
5	Investigation by CCI	An investigation under the Competition Act, 2002 was initiated by the Competition Commission of India ("CCI") against certain past conducts of SABMiller India (AB InBev acquired SABMiller India by way of global acquisition only in October 2016). AB InBev India Limited (formerly known as SABMiller India Limited) has been cooperating with the CCI in the investigation and has made requisite submissions.
4.	Internal Financial Controls i. Recoverable value of PPE ii. Contract bottlers reconciliation iii. Inventory iv. Related party transactions v. Interunit vi. Documentation	The Company will initiate remedial actions to mitigate the highlighted control deficiencies.

Report of Board of Directors (Contd.)

23. Secretarial Audit

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

The Secretarial Audit Report contains few qualification, reservation on the report.

24. Court/Tribunal Orders

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.

25. 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 Water 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 and Fluid 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. Continuing 1YP (1 year plan) on Energy reduction across sites involves planned implementation of globally approved and implemented Good Operations Practices (GOPS) and regular capital investments (Capex) for replacing traditional energy consuming technologies with Energy efficient technologies
(ii) the steps taken by the company for utilising alternate sources of energy;	Mysore brewery is using 65%+ of electricity from renewable. On-site PPA signed off for Aurangabad, Charminar and Hyderabad - plant estimated to have 20% of purchased electricity from Solar
(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 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 80.68 Crores in foreign exchange.

26. 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.

27. 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 is working to re-constitute the CSR committee in the next Financial Year.

28. 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

Report of Board of Directors (Contd.)

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.

29. 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. 0.01 million to Anheuser Busch InBev Breweries Private Limited (formerly known as SABMiller Breweries Private Limited).

30. 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.

31. Shares

AUTHORIZED SHARE CAPITAL

The Authorised Share Capital of the Company is ₹4,520,000,000/- (Rupees Four Hundred Fifty crores) divided into 452,000,000 equity shares of ₹10/- each.

PAID-UP SHARE CAPITAL

During the year under review, there is no change in Paid up Share Capital

The paid-up share capital of the Company as on date of this Report is ₹ 4,085,778,780/- (Rupees four hundred eight crores fifty seven lakhs seventy eight thousand seven hundred and eighty only) divided into 40,85,77,878 equity shares of ₹ 10/- (Rupees Ten Only) each.

32. 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.

33. INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Board of Directors believe that the Company's internal financial controls are adequate with the exception of the deficiencies highlighted in the Audit Report. The remediation actions for these have been initiated.

34. 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.

Report of Board of Directors (Contd.)

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 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

sd/-
Ben Magda J Verhaert
Whole Time Director

Place: Seoul
Date: July 29, 2020

sd/-
Gagandeep Singh Sethi
Whole Time Director

Place: Bangalore
Date: July 29, 2020

Report of Board of Directors (Contd.)

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2019
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1)
of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	U65990MH1988PLC049687
ii	Registration Date	18th November 1988
iii	Name of the Company	Anheuser Busch Inbev India Limited
iv	Category/Sub-category of the Company	Company limited by Shares/Non-govt company
v	"Address of the Registered office & contact details"	Unit No. 301-302, Dynasty Business Park B Wing, Andheri Kurla Road Andheri (East), Mumbai 400 059 Tel: (022) 39499999 | Fax: (022) 30913666
vi	Whether listed company	No
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Sharex Dynamic (India) Pvt. Ltd. C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai – 400 083 Tel.: (022) 28515606/28515644 | Fax: (022) 28512885

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Beer	15531	100%

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	AB Inbev Asia BV	Not Applicable	Holding Company	63.02	2(46)

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF									
b) Central Govt.or State Govt.									
c) Bodies Corporates	14,20,69,372	6,881	14,20,76,253	34.773	14,20,69,372	6,881	14,20,76,253	34.773	-
d) Bank/FI									
e) Any other									
SUB TOTAL:(A) (1)	**14,20,69,372**	**6,881**	**14,20,76,253**	**34.773**	**14,20,69,372**	**6,881**	**14,20,76,253**	**34.773**	**-**
(2) Foreign									
a) NRI- Individuals									

Report of Board of Directors (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Other Individuals									
c) Bodies Corp.	26,30,83,997	16,51,174	26,47,35,171	64.794	26,30,83,997	16,51,174	26,47,35,171	64.794	-
d) Banks/FI									
e) Any other…									
SUB TOTAL (A) (2)	**26,30,83,997**	**16,51,174**	**26,47,35,171**	**64.794**	**26,30,83,997**	**16,51,174**	**26,47,35,171**	**64.794**	**-**
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**40,51,53,369**	**16,58,055**	**40,68,11,424**	**99.567**	**40,51,53,369**	**16,58,055**	**40,68,11,424**	**99.567**	**-**
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	1,312	-	1,312	0.000	1,312	-	1,312	0.000	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
C) Cenntral govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	4,936	4,936	0.001	-	4,936	4,936	0.001	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	**1,312**	**4,936**	**6,248**	**0.001**	**1,312**	**4,936**	**6,248**	**0.001**	**-**
(2) Non Institutions									
a) Bodies corporates									
i) Indian	52018	13092	65110	0.016	52018	13092	65110	0.016	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakhs	339227	1246873	1586100	0.388	339227	1246873	1586100	0.388	0
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	18800	0	18800	0.005	18800	0	18800	0.005	0
c) Others (Clearing Members)	1480	0	1480	0	1480	0	1480	0	0
Others (NRI/Overseas Corporate Bodies)	8855	79861	88716	0.022	79861	88716	0.022	0	0
SUB TOTAL (B)(2):	**4,23,004**	**13,49,698**	**17,60,206**	**0.433**	**4,94,010**	**13,58,553**	**16,83,986**	**0.411**	**0**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**4,24,316**	**13,54,634**	**17,66,454**	**0.43**	**4,95,322**	**13,63,489**	**16,90,234**	**0.41**	**0**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**40,55,77,685**	**30,12,689**	**40,85,77,878**	**100.00**	**40,56,48,691**	**30,21,544**	**40,85,01,658**	**99.98**	**0**

Report of Board of Directors (Contd.)

(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the begginning of the year			Shareholding at the end of the year			% change in share holding during the year
		NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	AB Inbev Asia B V	25,74,93,180	63.022	-	25,74,93,180	63.022	-	-
2	Anheuser Busch Inbev Breweries Private Limited	14,20,76,253	34.773	-	14,20,76,253	34.773	-	-
3	SABMilier India Holdings	55,90,817	1.368	-	55,90,817	1.368	-	-
4	Austindia Pty Limited	16,51,174	0.404	-	16,51,174	0.404	-	
	Total	**40,68,11,424**	**99.567**		**40,68,11,424**	**99.567**		

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.	Name of the Shareholder	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	AB Inbev Asia B V				
	At the beginning of the year	25,74,93,180	63.022	25,74,93,180	63.022
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	No Change	No Change	No Change	No Change
	At the end of the year	25,74,93,180	63.022	25,74,93,180	63.022
2	Anheuser Busch Inbev Breweries Private Limited				
	At the beginning of the year	14,20,76,253	34.773	14,20,76,253	34.773
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	No Change	No Change	No Change	No Change
	At the end of the year	14,20,76,253	34.773	14,20,76,253	34.773
3	SABMilier India Holdings				
	At the beginning of the year	55,90,817	1.368	55,90,817	1.368

Report of Board of Directors (Contd.)

Sl. No.	Name of the Shareholder	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No Change	No Change	No Change	No Change
	At the end of the year	55,90,817	1.368	55,90,817	1.368
4	Austindia Pty Limited				
	At the beginning of the year	16,51,174	0.404	16,51,174	0.404
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No Change	No Change	No Change	No Change
	At the end of the year	16,51,174	0.404	16,51,174	0.404

(iv) Shareholding Pattern of top ten Shareholders (other than Direcors, Promoters & Holders of GDRs & ADRs)

Sl. No	Name	Shareholding at the end of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No.of shares	% of total shares of the company	No of shares	% of total shares of the company
1	SUNIL KUMAR JUVVADI				
	At the beginning of the year	18800	0.006	18800	0.006
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No Change			
	At the end of the year (or on the date of separation, if separated during the year)	18800	0.006	18800	0.006
2	BARMALT (INDIA) PVT LTD				
	At the beginning of the year	18040	0.006	18040	0.006
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No Change			
	At the end of the year (or on the date of separation, if separated during the year)	18040	0.006	18040	0.006
3	Ajay Kumar				
	At the beginning of the year	14536	0.004	14536	0.004
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No Change			

Report of Board of Directors (Contd.)

Sl. No	Name	Shareholding at the end of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No.of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the end of the year (or on the date of separation, if separated during the year)	14536	0.004	14536	0.004
4	PLUTUS CAPITAL MANAGEMENT LLP				
	At the beginning of the year	14527	0.004	14527	0.004
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	No Change			
	At the end of the year (or on the date of separation, if separated during the year)	14527	0.004	14527	0.004
5	MADHU SHEKHAR BHANDARI				
	At the beginning of the year	12560	0.003	12560	0.003
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	No Change			
	At the end of the year (or on the date of separation, if separated during the year)	12560	0.003	12560	0.003
6	PALETH SHREEKUMAR MENON				
	At the beginning of the year	8350	0.002	8350	0.002
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	No Change			
	At the end of the year (or on the date of separation, if separated during the year)	8350	0.002	8350	0.002
7	SRINIVAS NAYAK P				
	At the beginning of the year	7177	0.002	7177	0.002
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	No Change			
	At the end of the year (or on the date of separation, if separated during the year)	7177	0.002	7177	0.002
8	Atul Sarin				
	At the beginning of the year	6989	0.002	6989	0.002
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	No Change			
	At the end of the year (or on the date of separation, if separated during the year)	6989	0.002	6989	0.002

Report of Board of Directors (Contd.)

Sl. No	Name	Shareholding at the end of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No.of shares	% of total shares of the company	No of shares	% of total shares of the company
9	KAMALAKAR VASUDEO KAMAT				
	At the beginning of the year	6847	0.002	6847	0.002
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	No Change			
	At the end of the year (or on the date of separation, if separated during the year)	6847	0.002	6847	0.002
10	Lekha Patel				
	At the beginning of the year	6000	0.001	6000	0.001
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	No Change			
	At the end of the year (or on the date of separation, if separated during the year)	6000	0.001	6000	0.001

(v) Shareholding of Directors & KMP

Sl. No	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	0	0	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	No Change			
	At the end of the year	0	0	0	0

Report of Board of Directors (Contd.)

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

				INR Million
	Secured Loans excluding deposits	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtness at the beginning of the financial year				
i) Principal Amount		10,029.93		10,029.93
ii) Interest due but not paid		-		-
iii) Interest accrued but not due		106.06		106.06
Total (i+ii+iii)		**10,135.99**		**10,135.99**
Change in Indebtedness during the financial year				
Additions		4,360.83		4,360.83
Reduction		(35.55)		(35.55)
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount		14,390.76		14,390.76
ii) Interest due but not paid				
iii) Interest accrued but not due		70.51		70.51
Total (i+ii+iii)		**14,461.27**		**14,461.27**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sl. No	**Particulars of Remuneration**	**Name of the MD/WTD/Manager**		**Total Amount**
		Gagandeep Singh Sethi (Whole Time Director)	**Ben Magda J Verhaert (Whole Time Director)**	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	98,75,003	3,89,80,538	4,88,55,541
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	2,99,38,301	2,99,38,301
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others (specify)	-	-	-
5	Others, please specify	-	-	-
	Total (A)	**98,75,003**	**6,89,18,839**	**7,87,93,842**
	Ceiling as per the Act			**1,25,96,847**

Report of Board of Directors (Contd.)

B. Remuneration to other directors:

Sl. No	Particulars of Remuneration	Name of the Directors		Total Amount
1	Independent Directors	**Arun Monappa, Independent Director**	**Sapna Taneja, Independent Director**	
	(a) Fee for attending board committee meetings	8,00,000	10,00,000	18,00,000
	(b) Commission	-	-	-
	(c) Others, please specify	-	-	-
	Total (1)	**8,00,000**	**10,00,000**	**18,00,000**
2	Other Non Executive Directors			
	(a) Fee for attending board committee meetings	-	-	-
	(b) Commission	-	-	-
	(c) Others, please specify.	-	-	-
	Total (2)	**-**	**-**	**-**
	Total (B)=(1+2)	**8,00,000**	**10,00,000**	**18,00,000**
	Total Managerial Remuneration			**8,05,93,842**
	Overall Cieling as per the Act.			1,25,96,847

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ In Crore)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
1	Gross Salary	**CEO**	**Mr. Naveen Jain, Company Secretary**	**Mr. Anil Arya, CFO**	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.		0.275	1.506	1.781
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961		0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		0	0	0
2	Stock Option		0	0	0
3	Sweat Equity		0	0	0
4	Commission				
	as % of profit		0	0	0
	others, specify		0	0	0
5	Others, please specify		0	0	0
	Total		**0.275**	**1.506**	**1.781**

Report of Board of Directors (Contd.)

VII PENALTIES/PUNISHMENT/COMPPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeall made if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

FOR AND ON BEHALF OF THE BOARD

OF ANHEUSER BUSCH INBEV PRIVATE LIMITED

sd/-
Ben Magda J Verhaert
Whole Time Director

Place: Seoul
Date:July 29, 2020

sd/-
Gagandeep Singh Sethi
Whole Time Director

Place: Bangalore
Date: July 29, 2020

Report of Board of Directors (Contd.)

FORM AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

FORM FOR 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 INCLUDING CERTAIN ARMS LENGTH TRANSACTIONS UNDER THIRD PROVISIO THERETO

1. Details of contracts or arrangements or transactions not at arm's length basis

(a)	Name(s) of the related party and nature of relationship	None
(b)	Nature of contracts/arrangements/ transactions	None
(c)	Duration of the contracts/ arrangements/transactions	None
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	None
(e)	Justification for entering into such contracts or arrangements or transactions	None
(f)	Date(s) of approval by the Board	None
(g)	Amount paid as advances, if any	None
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	None

2. Details of material contracts or arrangement or transactions at arm's length basis

(a)	Name(s) of the related party and nature of relationship	Crown Beers India Private Limited, Entity under Common Control		
(b)	Nature of contracts/ arrangements/ transactions	Purchase of Finished Goods	Purchase of Raw Material	Sale of Raw Materials
(c)	Duration of the contracts/ arrangements/transactions	The transactions are recurring in nature and are entered into depending on Business requirements.		
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount of Purchase: INR 13.09 million	Amount of Purchase: INR 186.98 million	Amount of Sale: INR 108.56 million
(e)	Date(s) of approval by the Board	The same has been ratified by the Board.		
(f)	Amount paid as advances, if any	No	No	No

FOR AND ON BEHALF OF THE BOARD
OF ANHEUSER BUSCH INBEV PRIVATE LIMITED

sd/-
Ben Magda J Verhaert
Whole Time Director

Place: Seoul
Date: July 29, 2020

sd/-
Gagandeep Singh Sethi
Whole Time Director

Place: Bangalore
Date: July 29, 2020

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 good corporate practices by SABMiller India Limited having CIN: U65990MH1988PLC049687 ("the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion there on.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter;

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019, according to the provisions of:

I. The Companies Act, 2013 (the Act) and the rules made there under;

II. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; as applicable.

III. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder relating to the Foreign Direct Investment/s and External Commercial Borrowings;

IV. There were no issues during the year which required specific compliance of the provisions of the following Acts as the Company is an unlisted public Company :

  (i) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (ii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  (iii) There were no occasions needing compliance under Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made there under

V. We further report that based on the clarification/s issued by the ICSI and the informations and explanations received from the Company with respect to the applicability of Industry Specific Laws, and based on the records maintained, the Company has in our opinion, generally complied with the provisions of the following applicable laws:

  a) Food Safety & Standards Act, 2006 and rules and regulations made thereunder

  b) The Factories Act, 1948.

  c) The State wise Excise Acts ("Abkari Acts") of different States in which their units are situated.

  d) Legal Metrology Act, 2009 and rules thereunder

  e) The Environment Protection Act, 1986 and rules thereunder

  f) The Water (Prevention and control of Pollution) Act, 1974

  g) The Air (Prevention and control of Pollution) Act, 1981

  h) The Hazardous Waste (Management and Handling) Rules, 1989

  i) Explosives Act, 1884

  j) Petroleum Act, 1934

  k) Atomic Energy Act, 1962

  l) Boilers Act, 1923

  m) All other Labour, Employee and Industrial Laws to the extent applicable to the Company

Secretarial Audit Report (Contd.)

VI. (a). We have examined compliances with respect to the Secretarial Standards SS-1 and SS-2 issued by the ICSI and notified by the MCA and state that the Company has generally complied with the said Standards to the extent and in the manner stated in this report elsewhere.

(b). The Company is not a listed entity and as such examination and reporting of compliances under the Listing Agreements with Stock Exchanges does not arise.

VII. The company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards during the financial year under report, in exception to the following :

Financial Year 2017-18

1. The Company was required to hold its AGM for the financial year 2017-18 within 6 months of the closing of the accounts and within 12 months of the previous AGM however, subject to any extension granted by the ROC not exceeding 3 months. In this regard the Company has sought extension of time for holding its 29th Annual General Meeting (AGM) pertaining to FY 2017-18 . The Registrar of Companies (ROC) vide its letter dated 19th September 2018 has granted an extension of two (2) months as per Section 96(1) of Companies Act, 2013 according to which the AGM should have been held on or before the 30th November 2018. No AGM was, however, held within the due date. The said AGM was, then held on 13th May, 2019 with substantial delay. This is in violation of Section 96 of the Act and the Company has so far not sought for compounding of the said offence.

   Financial Year 2018-19

   The Company was required to hold its AGM for the financial year 2018-19 within 6 months of the closing of the accounts and within 12 months of the previous AGM, however, subject to any extension granted by the ROC not exceeding 3 months. In this regard the Company has sought extension of time for holding its 30th Annual General Meeting (AGM) pertaining to FY 2018-19 and the Registrar of Companies (ROC) has granted extension for a period of three (3) months (upto December 31, 2019) as per Section 96(1) of Companies Act, 2013. The company, however, was unable to hold the AGM within the said three months thus violating the provisions of Section 96 of Companies Act, 2013. Company has so far not sought for compounding of the said offence.

2. In terms of Section 134(2)(f) the Board of Directors, are required to reply / comment on any qualification made out by the Secretarial Auditors of the company. However, in their Report dated 19th March, 2019 the Board of Directors have not complied with the same.

3. The Company has not complied with Section 178(1) Act, as the constitution of Remuneration and Nomination Committee is not in accordance with the requirement of Section and the Rules (Rule 4) made thereunder.

4. .As per the e-form MGT – 14 filed in respect adoption of audited financial statements, the date of despatch of Notice is mentioned as 11th March 2019 whereas actual date of despatch is 16th March 2019. Thus there is a mismatch leading to wrong reporting.

5. As per the e-form MGT – 14 filed in respect adoption of audited financial statements and Board's Report, 2017-18, the mention of approval of Board's Report is not mentioned at coloumn No.6 of MGT-14. Thus there is inadequate reporting in the eform.

6. As per the e-form MGT – 14 filed for change the name of the company from Sabmiller India Limited to Anheuser Busch Inbev India Limited, the date of dispatch of the Notice is wrongly mentioned in the eform as 15th march 2019, instead of as 9th March 2019. This amounts to wrong reporting in the eform.

7. As per the e-form MGT – 14 filed regarding increase in the limits of granting loan, issue of guarantee, of providing of Security, from earlier limit to the present proposed limit of INR 1000 Crores under Section 186, the date of dispatch of the Notice is wrongly mentioned in the form as 15th march 2019, instead of as 9th March 2019. This amounts to wrong reporting in the eform.

8. The eform MGT-14 filed vide SRN -G86901634 for change the name of the Company mentions only change in the Memorandum of Association but changes in the Articles of Association is not mentioned. This amounts to inadequate reporting in the eform.

9. The Following Statutory Registers were not made available for Secretarial Audi.

   a. Register of Directors and their shareholdings

   b. Register of Contracts in which Directors are interested

Secretarial Audit Report (Contd.)

c. Register of Charges

d. Register of Deposits

e. Register of Investments

f. Register of Loans and Guarantees

g. Register of Transfer of shares, Duplicate Share Certificates

h. Attendance Register of Board Meetings, committee meetings and General Meetings

We further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is generally given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. In respect of Board Meetings held under shorter notice than 7 days, the directors present at the meetings have not taken any objection for the same constituting that they have consented for the same.
- Majority decision is carried through and as informed by the Company, there were no dissenting views of the members of the Board at any Board/Committee meeting held during the financial year.

We further report that there are reasonably adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the following events/actions having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc,

1. SPR Distilleries Private Limited, a wholly owned subsidiary of the Company has merged with the company under scheme of Amalgamation for which necessary Special Resolution was passed and necessary approval from the ministry was obtained..
2. The Company has changed its name from SabMiller India Limited to "Anheuser Busch InBev India Limited as approved by the members by special resolution and necessary approval from the Ministry was obtained.
3. The Company has purchased a Brewing and Sales Business Undertaking under a Business Transfer Agreement from a related party which was approved by the Members of the Company under Section 188 of the Act.
4. Company has altered Clause (III) of its Memorandum of Association by changing the objects clause as approved by the Members at the Extra-Ordinary General Meeting held on 06th April, 2018.
5. The company has subsisting court cases (regarding Barcode matter) and this may have bearing on the financial position in the long term.

For S. Kedarnath & Associates

Sd/-
S. KEDARNATH
Company Secretary
C P No 4422

Place : Bengaluru
Date : 23rd March, 2020
UDIN: F003031A000624421

Note: 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, SABMiller India Limited),
Mumbai 400059

Our Secretarial Audit (2018-19), 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 processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes 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 including records under Income Tax Act, Central Excise and Customs Law, Central and State Sales Tax Laws.
4. Where ever required, the Company has represented about the compliance of laws, rules and regulations and happening of events etc as applicable from time to time.
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 procedures 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 S. Kedarnath & Associates

Sd/-
S. KEDARNATH
Company Secretary
C P No 4422

Place : Bengaluru
Date : 23rd March, 2020
UDIN: F003031A000624421

Independent Auditor's Report

To The Members of ANHEUSER BUSCH INBEV INDIA LIMITED

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of **Anheuser Busch Inbev India Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section below, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

1. As stated in Note 4A(iv) of the Financial Statements, based on the identified impairment indicators, the management has carried out an impairment assessment of its property, plant and equipment, its capital work in progress, its intangible assets and goodwill and concluded that there is no impairment with regard to the carrying value of those assets aggregating ₹ 13,209.58 million as at March 31, 2019. In the absence of adequate evidence supporting the projections being considered as well as the sensitivity associated with the discount rate applied we are unable to comment on the possible adjustment, if any, to be recorded against the carrying value of these assets and the consequential impact on the loss for the year and on these financial statements.

   This was also a matter of qualification in the previous year ended March 31, 2018.

2. As explained in Note 9(a) of the financial statements, the Company has received a confirmation from one of its contract bottlers and is in the process of reconciling the differential amount of ₹ 175.96 million, receivable by it, as at March 31, 2019. Accordingly, we are unable to comment on the related adjustments to the cost of consumption for the year and its consequential impact, if any, on the loss for the year and on these financial statements.

3. As explained in Note 10(c) of the financial statements, the Company has recorded an aggregate provision of ₹ 184.90 Million as at March 31, 2019 representing adjustments towards slow/non-moving/ expired inventory to bring the cost of each item of inventory to its net realisable value. The management has not provided us with details regarding the comparison of the cost of each item of inventory with its net realisable value to determine the amount of provision, if any, required to the cost of inventory.

In the absence of adequate information or explanations, we are unable to conclude on the adjustments, if any, to be made to the carrying value of inventory as at March 31, 2019 and the related adjustments, if any, to the cost of consumption for the year then ended and its consequential impact, if any, on the loss for the year.

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 Responsibility 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 made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion on the financial statements.

Emphasis of matter

1. We draw attention to Note 41 to the financial statements regarding the price at which the Company has issued shares to its Holding Company during the previous year. As per Section 62(1)(C) of the Companies Act, 2013, the price of such shares is to be determined by the valuation report of a registered valuer. As informed to us, the price of the shares issued have been determined based on the valuation report of a registered valuer who has considered the price at which the preferential offer was made in 2013 as representative of the value of shares issued in the current year.

2. We draw attention to Note 29(iii) to the financial statements which more fully describes the uncertainty relating to the future outcome of ongoing investigation by the Competition Commission of India ("CCI").

Our opinion is not modified in respect of aforesaid matters.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the

Independent Auditor's Report (Contd.)

information included in the Director's report, 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 during the course of our 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.

Management's Responsibility for the Financial Statements

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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 Responsibility for the Audit of the Financial Statements

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.

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

- 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.
- Obtain an understanding of internal financial 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- 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.
- 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it

Independent Auditor's Report (Contd.)

probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

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

   b) Except for the possible effects of the matters described in the Basis for Qualified Opinion section above, in our opinion, 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 Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) Except for the possible effects of the matters described in the Basis for Qualified Opinion section above, in our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) The matters described in the Basis for Qualified Opinion section above, in our opinion, may have an adverse effect on the functioning of the Company.

   f) On the basis of the written representations received from directors of the Company as on March 31, 2019 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2019 from being appointed as directors in terms of Section 164(2) of the Act.

   g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section above.

   h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an adverse opinion on the operating effectiveness of the Company's internal financial controls over financial reporting for the reasons stated therein.

   i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   j) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

   a) The Company has disclosed the impact of pending litigations on its financial position in note 29 of the financial statements;

   b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

   c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

sd/-
Monisha Parikh
Partner
(Membership No. 047840)
UDIN: 20047840AAAACN8661

Place: Bengaluru
Date: July 29, 2020
MP/JT/MS/2020

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(h) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We were engaged to audit the internal financial controls over financial reporting of **ANHEUSER BUSCH INBEV INDIA LIMITED** ("the Company") as of March 31, 2019 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

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 issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Adverse Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the Company's internal financial controls over financial reporting as at March 31, 2019. Inadequacies were noted in:

a) the Company's process of maintaining evidences of controls exercised to demonstrate an effective system of internal financial controls over financial reporting and appropriate financial book closing procedures to ensure

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

timely preparation of financial statements as more fully explained in Note 40 of these financial statements.

b) the Company's process of evaluating the adequacy and appropriateness of the various projections and assumptions considered in determining the recoverable value of its property, plant and equipment, including the capital work in progress, intangible assets and goodwill, to determine impairment, if any, in the carrying value of such assets. Also refer paragraph 1 of the Basis for Qualified Opinion section of the Independent Auditor's Report.

c) the Company's process of reconciliation of transactions and balances of its sub-contracting vendors (contract bottlers) with the books of accounts on a periodic basis to evaluate the completeness and accuracy of transactions recorded. Also refer paragraph 2 of the Basis for Qualified Opinion section of the Independent Auditor's Report.

d) ensuring compliance with the applicable accounting standards and generally accepted accounting principles with regard to inventory valuation. Also refer paragraph 3 of the Basis for Qualified Opinion section of the Independent Auditor's Report.

e) evaluating the completeness of transactions with related parties on a periodic basis through confirmation and their reconciliations with the books of account.

f) reconciliation of inter-unit transactions on a periodic basis.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Adverse Opinion

In our opinion, to the best of our information and according to the explanations given to us, because of the effects/ possible effects of the material weaknesses described in the Basis for Adverse Opinion paragraph above on the achievement of the objectives of the control criteria, the Company has not maintained adequate and effective internal financial controls over financial reporting as of March 31, 2019, and such internal financial controls over financial reporting were not operating effectively as of March 31, 2019 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 Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and 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, 2019, and the material weaknesses mentioned in sub-paragraphs (a), (e) and (f) of the Basis for Adverse Opinion paragraph above do not affect our opinion on the said financial statements of the Company. However, the material weaknesses mentioned in sub-paragraphs (b) to (d) of the Basis for Adverse Opinion paragraph above has affected our opinion on the said financial statements of the Company and we have issued a qualified opinion on the financial statements of the Company.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

sd/-
Monisha Parikh
Partner
(Membership No. 047840)
UDIN: 20047840AAAACN8661

Place: Bengaluru
Date: July 29, 2020
MP/JT/MS/2020

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

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / encumbrance certificate provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are in the name of erstwhile entities which were amalgamated with the Company over time as part of acquisitions, out of which title deeds of certain parcels of freehold land with a carrying value of ₹ 64.32 million are currently not in the possession of the Company.

In respect of immovable properties of land and buildings that have been taken on lease and disclosed as property, plant and equipment in the Ind AS financial statements, the lease agreements are in the name of erstwhile entities which were amalgamated with the Company over time as part of acquisition, out of which original lease agreements for lease hold land with a carrying value of ₹ 8.15 million are not in the possession of the Company.

(ii) As explained to us, the inventories, except for stock lying with third parties, were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification. For stock lying with third parties at the year-end, written confirmations have been obtained.

(iii) According to the information and explanations given to us, the Company has granted unsecured loans, in the earlier years, to one company covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(c) There is no overdue amount remaining outstanding as at the year-end.

(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 Companies Act, 2013 in respect of grant of loans. There are no guarantees and securities provided.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and does not have any unclaimed deposits.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) According to the information and explanations given to us and the records of the Company examined by us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Customs Duty, Excise Duty, Sales, Works Contract Tax and other material statutory dues applicable to it to the appropriate authorities except in respect of Employee State Insurance, Provident Fund, Value Added Tax, Labour Welfare Fund, Tax deducted at Source and Tax Collected at Source which have not been regularly deposited with the appropriate authorities and there have been significant delays in a number of cases.

(b) There were no undisputed amounts payable in respect of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable except as given below:

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

Name of the Statute	Nature of the dues	Amount involved (₹)	Period to which the amount relates	Due date	Date of Payment
West Bengal Tax on Entry of Goods into Local Areas Act, 2012	Entry Tax	1,452	March 2017	April 20, 2017	Not paid
The Employee State Insurance Act, 1948	Employee State Insurance Contribution	78,964	April to August 2018	Various dates	Not paid
Employees' Provident Funds & Miscellaneous Provisions Act, 1952	Provident Fund Contribution	5,005	April to August 2018	Various dates	Not paid
Karnataka Value Added Tax, 2003	Value Added Tax	198,094	July 2017 & April 2018	Various dates	Not paid
	Work Contract Tax	631	March 2017	April 20, 2017	Not paid
Income-tax Act, 1961	Tax Deducted at Source and Tax Collected at Source	82,763	April to August 2018	Various dates	Not paid
Central Sales Tax Act, 1956	Central Sales Tax	1,099	April to August 2018	Various dates	Not paid
Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976.	Professional tax	609,629	April to August 2018	Various dates	Not paid
Karnataka Labour Welfare Fund Act, 1965	Labour Welfare Fund	22,432	April to August 2018	Various dates	Not paid
Telangana Labour Welfare Fund Act, 1987	Labour Welfare Fund	403,553	April to August 2018	Various dates	Not paid
Kerala Labour Welfare Fund Act, 1975	Labour Welfare Fund	49,371	April to August 2018	Various dates	Not paid
Odisha Labour Welfare Fund Act, 1996	Labour Welfare Fund	1,208	April to August 2018	Various dates	Not paid
Maharashtra Labour Welfare Fund Act, 1953	Labour Welfare Fund	10,368	April to August 2018	Various dates	Not paid

According to the information and explanation given to us and the records of the Company examined by us, there are no dues of Goods and Service Tax, which have not been deposited on account of any dispute. The particulars of dues of Income-tax, Sales Tax, Customs Duty, Excise Duty, Value added tax, Service Tax and cess as at March 31, 2019 which have not been deposited on account of dispute are given below:

Name of the statute	Nature of the dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹)	Amount unpaid (₹)
Central Excise Act, 1944	Excise duty	Central Excise and Service Tax Appellate Tribunal	2009-10 to 2015-16	3,68,54,192	3,19,04,665
		Commissioner Appeals (Central Excise)	2009-10 to 2015-16	68,11,216	67,38,155

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

Name of the statute	Nature of the dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹)	Amount unpaid (₹)
Punjab Excise Act, 1914	Duty on beer loss	Financial Commissioner, Haryana	1973-74 to 1990-91	1,37,45,236	1,03,18,746
Orissa and Bihar Excise Act, 1965	Interest on excise loan draw back scheme	Orissa High Court	1988 - 89	64,45,410	32,22,705
	Adhesive label fees	Orissa High Court	2001-02 to 2004-05	2,21,17,454	1,08,77,028
	Duty on sediment beer	Orissa High Court	2002-03	16,06,295	12,84,936
	Overtime wages of excise staff	Orissa High Court	2005-06	29,52,000	11,27,231
Bombay Prohibition Act, 1949	Supervision charges of excise staff	Bombay High Court	1983-84 to 1988-89	5,50,930	5,50,930
	Duty on expired beer	Commissioner of State Excise, Maharashtra	2000-01	10,37,085	10,37,085
Orissa Sales Tax Act, 1947	Sales Tax	Sales Tax Tribunal, Orissa	1994-95 to 2000-01	9,27,28,022	1,11,42,755
Orissa Entry Tax Act, 1999	Sales Tax	Sales Tax Tribunal, Orissa	2000-01	7,35,015	2,42,508
Delhi Sales Tax Act, 1975	Sales Tax	Assistant Commissioner of Commercial Taxes (Appeals), New Delhi	2002-03	5,76,486	5,76,486
Bombay Sales Tax Act, 1959	Sales Tax	Trade Tax Tribunal, Maharashtra	1992-93	25,14,943	15,14,943
		Sales Tax Tribunal, Maharashtra	1995-96	41,39,154	36,39,154
			1996-97	14,45,537	14,45,537
Bombay Sales Tax Act, 1959 & Central Sales Tax Act, 1956	Sales Tax	Sales Tax Tribunal, Maharashtra	2001-02	1,36,17,493	1,23,17,493
Pondicherry General Sales Act, 1967	Sales Tax	Assessing Authority, Pondicherry	1981-82 to 1984-85, 1997-98 to 1998-99	1,19,82,000	1,04,12,936
Haryana Sales Tax Act, 1973	Sales Tax	Joint Excise and Taxation Commissioner (Appeals)	1989-90 to 2002-03	59,65,472	7,54,349
The Madhya Pradesh Value Added Tax Act, 2002	Entry Tax	Additional Commissioner (Appeals), Gwalior	2008-09	14,33,060	11,11,960
	Value Added Tax	M P Commercial Tax Appellate Board, Bhopal	2007-08	1,414,889	518,389

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

Name of the statute	Nature of the dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹)	Amount unpaid (₹)
		M P Commercial Tax Appellate Board, Bhopal	2009-10	3,135,198	1,943,358
Uttar Pradesh Tax on Entry of Goods Act, 2000	Entry Tax	Uttar Pradesh High Court	2005-06	20,00,117	20,00,117
		Additional Commissioner (Appeals)	2008-09	6,90,569	6,90,569
Maharashtra Value Added Tax Act, 2005	Value Added Tax	Joint Commissioner of Sales Tax (Appeals), Aurangabad	2008-09	37,82,180	12,82,180
		Joint Commissioner (Appeals), Aurangabad	2005-06 to 2008-09	7,98,80,742	7,37,55,935
		Joint Commissioner (Appeals), Aurangabad	2005-06 to 2007-08, 2009-10 and 2010-11	9,79,63,510	4,71,50,198
		Joint Commissioner of Sales Tax (Appeals), Aurangabad	2013-14	11,759,505	11,100,382
Central Sales Tax Act, 1956	Central Sales Tax	Joint Commissioner of Sales Tax (Appeals), Aurangabad	2013-14	104,951,198	72,586,289
Andhra Pradesh Value Added Tax, 2005	Value Added Tax	Joint Commissioner (Appeals), Andhra Pradesh	2010-11 to 2012-13	2,31,89,306	1,97,00,952
West Bengal Value Added Tax Act, 2003	Value Added Tax	Joint Commissioner of Commercial Tax, Kolkata	2009-10	4,29,000	4,29,000
Karnataka Value added Tax	Entry Tax	Joint Commissioner of entry tax	2006-07 to 2012-13	4,71,12,464	49,44,675
Haryana Local Area Development Tax Act, 2000	Local Area Development Tax	Joint Excise and Taxation Commissioner (Appeals)	2001-01 to 2003-04	1,00,50,426	1,00,50,426
Finance Act, 1994	Service Tax and penalty	Bombay High Court and Mumbai Customs, Excise and Service Tax Appellate Tribunal (CESTAT)	2009-10 to 2012-13	23,62,70,548	23,62,70,548
		Karnataka High Court	2005-06 to 2007-08	22,44,56,392	22,44,56,392
		Customs Excise and Service Tax Appellate Tribunal, Bangalore	2005-06 to 2009-10	40,07,65,640	40,07,65,640

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

Name of the statute	Nature of the dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹)	Amount unpaid (₹)
		Customs Excise and Service Tax Appellate Tribunal, Bhopal	2008-16	45,712,389	42,283,960
Customs Act, 1962	Customs Duty	Customs Excise and Service Tax Appellate Tribunal, Mumbai	2007-08	2,61,555	1,61,555
Income-tax Act, 1961	Income-tax	Commissioner of Income Tax (Appeals), Aurangabad	2008-09	1,69,67,802	1,44,22,632
		Income Tax Appellate Tribunal, Mumbai	2008-09	84,96,198	84,96,198

Note: The amounts paid under protest have been reduced from the amounts demanded in arriving at the amount unpaid.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. There are no loans and borrowings from government and the Company has not issued any debentures.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them to which section 192 of the Companies Act, 2013 applies and accordingly reporting under clause (xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

sd/-
Monisha Parikh
Partner
(Membership No. 047840)
UDIN: 20047840AAAACN8661

Place: Bengaluru
Date: July 29, 2020
MP/JT/MS/2020

Financial Statements

Balance sheet as at 31 March 2019

(INR Million)

	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	4A	11,427.20	12,418.59
Capital work-in-progress		541.42	510.51
Goodwill	46	20.70	20.70
Intangible assets	4B	1,220.26	1,429.49
		13,209.58	**14,379.29**
Financial assets			
- Investments	5	-	-
- Loans	6A	1.59	1.58
- Other financial assets	7A	566.04	347.38
Other tax assets (net)	8	190.03	218.43
Other non-current assets	9A	983.14	888.74
Total non-current assets		**14,950.38**	**15,835.42**
Current assets			
Inventories	10	2,658.15	2,131.59
Financial assets			
- Trade receivables	11	6,595.16	5,292.18
- Cash and cash equivalents	12	374.99	758.36
- Loans	6B	10.05	4.77
- Other financial assets	7B	124.81	79.27
Other current assets	9B	1,609.56	841.70
Total current assets		**11,372.72**	**9,107.87**
Total assets		**26,323.10**	**24,943.29**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	4,085.78	4,085.78
Other equity	14	(1,469.35)	1,312.84
Total equity		**2,616.43**	**5,398.62**
Non-current liabilities			
Financial liabilities			
- Borrowings	15A	5,882.53	8,754.27
- Other financial liabilities	16A	140.98	434.97
Provisions	17A	147.49	160.19
Other non-current liabilities	18A	86.24	101.91
Total non-current liabilities		**6,257.24**	**9,451.34**
Current liabilities			
Financial liabilities			
- Borrowings	15B	4,000.63	300.00
- Trade payables			
	19	122.29	93.57
	19	5,589.20	5,581.76
- Other financial liabilities	16B	5,147.50	1,645.52
Provisions	17B	1,399.53	1,549.34
Current tax liabilities (net)	20	55.09	55.09
Other liabilities	18B	1,135.19	868.05
Total current liabilities		**17,449.43**	**10,093.33**
Total equity and liabilities		**26,323.10**	**24,943.29**
Significant accounting policies	2		

The notes referred to above form an integral part of the financial statements
As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants

Monisha Parikh
Partner

Place: Bangalore
Date: 29 July 2020

for and on behalf of the Board of Directors of
Anheuser Busch InBev India Limited

sd/-
Gagandeep Sethi
Director
DIN: 07943896
Place: Bangalore
Date: 29 July 2020

sd/-
Ben Verhaert
Director
DIN: 08004326
Place: Seoul
Date: 29 July 2020

sd/-
Cherian Kurien
Chief Financial Officer
Place: Bangalore
Date: 29 July 2020

sd/-
Nishi Vijayvargiya
Company Secretary
Place: Indore
Date: 29 July 2020

Financial Statements (Contd.)

Statement of Profit and Loss for the year ended 31 March 2019

(INR in million)

	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from operations	21	31,563.46	30,429.08
Other income	22	684.08	2,369.44
Total income		**32,247.54**	**32,798.52**
Expenses			
Cost of material consumed		7,661.72	6,988.77
Purchase of stock-in-trade		13.09	99.02
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(295.32)	367.80
Excise duty expense		17,969.05	16,844.46
Employee benefits expense	24	1,992.65	1,859.83
Finance costs	25	1,418.16	998.77
Depreciation and amortisation expense	26	1,791.53	1,460.14
Other expenses	27	4,742.26	5,283.92
Total expenses		**35,293.14**	**33,902.71**
Profit / (loss) before tax		**(3,045.60)**	**(1,104.19)**
Tax expense:			
Current tax	28A	-	-
Deferred tax	28D	-	-
Pertaining to earlier years	28A	-	30.23
		-	**30.23**
Profit / (loss) for the year		**(3,045.60)**	**(1,134.42)**
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plan	34	(0.66)	(5.81)
Other comprehensive income for the year		**(0.66)**	**(5.81)**
Total comprehensive income for the year		**(3,046.26)**	**(1,140.23)**
Earnings per equity share (par value: ₹ 10 each)	30		
- Basic		(7.45)	(2.78)
- Diluted		(7.45)	(2.78)
Significant accounting policies	2		

The notes referred to above form an integral part of the financial statements
As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants

Monisha Parikh
Partner

Place: Bangalore
Date: 29 July 2020

for and on behalf of the Board of Directors of
Anheuser Busch InBev India Limited

sd/-
Gagandeep Sethi
Director
DIN: 07943896
Place: Bangalore
Date: 29 July 2020

sd/-
Ben Verhaert
Director
DIN: 08004326
Place: Seoul
Date: 29 July 2020

sd/-
Cherian Kurien
Chief Financial Officer
Place: Bangalore
Date: 29 July 2020

sd/-
Nishi Vijayvargiya
Company Secretary
Place: Indore
Date: 29 July 2020

Financial Statements (Contd.)

Statement of Cash Flows for the year ended 31 March 2019

(INR in million)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash flows from operating activities		
Profit/(Loss) before tax	(3,045.60)	(1,104.19)
Adjustments:		
- Depreciation and amortisation expense	1,791.53	1,460.14
- Profit on sale of property, plant and equipment (net)	(2.03)	(1,884.06)
- Release of deferred government grants	(12.70)	(12.85)
- Provisions no longer required written back	(71.97)	(243.35)
- ESOP expense	264.07	117.31
- Interest income	(11.82)	(8.24)
- Dividend income	-	(0.16)
- Bad debts recovered	-	(88.10)
- Finance cost	1,418.16	940.07
- Provision for doubtful receivables and advances	93.67	124.13
- Bad and doubtful receivables and advances written off	-	150.06
- Stores and spares written off	-	20.34
- (Gain)/ Loss on fair valuation of financial instruments	(534.70)	58.70
- Provision for impairment in the value of investments	-	5.13
- Unrealised foreign exchange difference (net)	17.62	23.68
Operating cash flow before working capital changes	**(93.77)**	**(441.39)**
Changes in working capital		
- Trade receivables	(1,396.64)	(303.84)
- Current and non-current loans	(5.29)	2.98
- Current and non-current financial assets	(45.02)	6.45
- Current and non-current other assets	(849.31)	728.65
- Inventories	(526.56)	1,499.93
- Trade payables	22.63	1,561.21
- Current and non-current provisions	(163.17)	295.14
- Current and non-current financial liabilities	139.58	196.41
- Current and non-current other liabilities	264.17	(327.78)
Cash generated from / (used in) operations	**(2,653.38)**	**3,217.76**
Income taxes paid (net of refund)	28.40	59.08
Cash generated from / (used in) operations [A]	**(2,624.98)**	**3,276.84**
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets (including capital work in progress)	(664.55)	(1,650.98)
Proceeds from sale of property, plant and equipment and intangible assets	31.82	2,220.19
Loans to related parties (refer note 6A)	-	(0.11)
Interest received	2.09	5.96

Financial Statements (Contd.)

Statement of Cash Flows for the year ended 31 March 2019

(INR in million)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Dividend received	-	0.16
Net cash used in investing activities [B]	**(630.64)**	**575.22**
Cash flows from financing activities		
Proceeds/(Repayment) of long term borrowings (net)	121.62	104.56
Proceeds/(Repayment) of short term borrowings (net)	3,700.63	(2,198.66)
Finance charges paid	(945.91)	(953.84)
Net cash (used in) / generated from financing activities [C]	**2,876.34**	**(3,047.94)**
Effect of exchange rate changes on cash and cash equivalents [D]	**(4.09)**	**(2.27)**
Net increase / (decrease) in cash and cash equivalents during the year [A+B+C+D]	**(383.37)**	**801.85**
Cash and cash equivalents at the beginning of the year	**758.36**	**(43.49)**
Cash and cash equivalents at the end of the year	**374.99**	**758.36**

	As at 31 March 2018	As at 31 March 2017
Components of cash and cash equivalents		
Cash and cash equivalents (Refer note 12)	374.99	758.36
Cash and cash equivalents at the end of the year	374.99	758.36

Note: Above Ind AS Cash Flow Statement has been prepared under indirect method in accordance with the Indian Accounting Standard (Ind AS) 7 on "Statement of Cash Flows".

The notes referred to above form an integral part of the financial statements
As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants

Monisha Parikh
Partner

Place: Bangalore
Date: 29 July 2020

for and on behalf of the Board of Directors of
Anheuser Busch InBev India Limited

sd/-
Gagandeep Sethi
Director
DIN: 07943896
Place: Bangalore
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Cherian Kurien
Chief Financial Officer
Place: Bangalore
Date: 29 July 2020

sd/-
Nishi Vijayvargiya
Company Secretary
Place: Indore
Date: 29 July 2020

Financial Statements (Contd.)

Statement of Changes in Equity for the year ended 31 March 2019

A. Equity share capital

(INR Million)

Particulars	Note	Amount
Balance as at 1 April 2017		4,085.78
Changes in equity share capital during 2017-18	13	-
Balance as at 31 March 2018		4,085.78
Changes in equity share capital during 2018-19	13	-
Balance as at 31 March 2019		4,085.78

B. Other Equity

(INR Million)

Particulars	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 2017	13,965.64	2.00	(1,029.74)	1,218.40	502.77	(12,323.31)	2,335.76
ESOP expense for the year	-	-	-	-	117.31	-	117.31
Total comprehensive income for the year ended 31 March 2018:							
Net loss during the year	-	-	-	-	-	(1,134.42)	(1,134.42)
Other comprehensive income	-	-	-	-	-	(5.81)	(5.81)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**(1,140.23)**	**(1,140.23)**
Balance as at 31 March 2018	**13,965.64**	**2.00**	**(1,029.74)**	**1,218.40**	**620.08**	**(13,463.54)**	**1,312.84**
Balance as at 1 April 2018	13,965.64	2.00	(1,029.74)	1,218.40	620.08	(13,463.54)	1,312.84
ESOP expense for the year	-	-	-	-	264.07	-	264.07
Total comprehensive income for the year ended 31 March 2019:							
Net loss during the year	-	-	-	-	-	(3,045.60)	(3,045.60)
Other comprehensive income	-	-	-	-	-	(0.66)	(0.66)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**(3,046.26)**	**(3,046.26)**
Balance as at 31 March 2019	**13,965.64**	**2.00**	**(1,029.74)**	**1,218.40**	**884.15**	**(16,509.80)**	**(1,469.35)**

The notes referred to above form an integral part of the financial statements
As per our report of even date attached

for Deloitte Haskins & Sells LLP
Chartered Accountants

for and on behalf of the Board of Directors of
Anheuser Busch InBev India Limited

Monisha Parikh
Partner

Place: Bangalore
Date: 29 July 2020

sd/-
Gagandeep Sethi
Director
DIN: 07943896
Place: Bangalore
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Cherian Kurien
Chief Financial Officer
Place: Bangalore
Date: 29 July 2020

sd/-
Nishi Vijayvargiya
Company Secretary
Place: Indore
Date: 29 July 2020

Notes to the Financial Statements

1 Company background

"Anheuser Busch Inbev India Limited (""the Company""), formerly SKOL Breweries Limited, was incorporated as a Private Limited Company under the Companies Act, 1956 on 18 November 1988. With effect from 22 June 2012 the name of the Company was changed from SKOL Breweries Limited to SABMiller India Limited and the name of the Company has been subsequently changed to Anheuser Busch Inbev India Limited. Its parent Company is SABMiller Asia BV and ultimate holding Company is Anheuser Busch InBev SA/NV. The registered office of the Company and its principal place of business is at Unit No. 301-302, Dynasty Business Park, B-wing, Third Floor, Andheri Kurla Road, Andheri East, Mumbai, Maharashtra - 0400059. The Company is primarily engaged in the business of brewing, packaging distribution, marketing and sale of beer. During the year, SPR Distrilleries Private Limited, a wholly owned subsidiary of the Company, has been merged with the Company with appointed date of April 1, 2018. In accordance with the requirements of Appendix C of Ind AS 103 Business Combination, the financial statements of the corresponding period in the previous year has been restated as if the amalgamation had occurred on the appointed date of the Scheme."

2 Significant Accounting Policies

(a) Basis of preparation and presentation

These Financial Statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act 2013, (the 'Act') and other relevant provisions of the Act.

(b) Functional and presentation currency

These Financial Statements are presented in Indian rupees (₹) which is also the Company's functional currency. All amounts have been rounded off to the nearest millions, unless otherwise indicated.

(c) Going concern

"The Company has been incurring losses and its net worth has eroded to the extent of accumulated losses amounting to ₹ 16,509.80 mio (2018: ₹ 13,463.54 mio). Management has taken steps to make the operations profitable and has further received a confirmation from AB InBev Asia BV, the Holding Company and Anheuser Busch InBev SA/NV, the Ultimate 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. Subsequent to the year end, the Company has received additional equity infusion from the Holding Company amounting to ₹ 10,628.80 million to meet its business expansion/working capital needs. 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 and and Anheuser Busch InBev SA/NV, the Ultimate 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."

(d) Basis of measurement

The Financial Statements have been prepared on a historical cost basis, except for the following:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Share-based payment arrangements	Fair value
Net defined benefit (asset) / liability	Fair value of plan assets less present value of defined benefit obligations

(e) Measurement of fair values

"Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The valuation team regularly reviews significant unobservable inputs and valuation adjustments. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: a) In the principal market for the asset or liability, or b) In the absence of a principal market, in the most advantageous market for the asset or liability The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest."

Fair values are categorised in to different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Notes to the Financial Statements

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in the measuring fair values is included in the following notes:

- note 43: Financial instruments.

(f) Property, Plant and Equipment

Recognition and measurement

Property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor and any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The costs of the property plant and equipment, which are not ready for their intended use on such date, are disclosed as capital work-in-progress. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit or Loss.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the Statement of Profit and Loss. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

The range of estimated useful lives of items of property, plant and equipment are as follows:

Asset	Useful life
Building	3-30
Plant and equipment	
-Brewing plant and vessels	5-28
-Packing Plant	15
-Chillers	1-15
-Others	5-18
Computers	3-5
Furniture and fixtures	3-6
Office equipment	5-6
Vehicles	5-8

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.

Notes to the Financial Statements

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed off).

(g) Intangible assets

Recognition and measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the Statement of Profit or Loss in the period in which the expenditure is incurred.

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.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in the Statement of Profit and Loss.

The estimated useful lives are as follows:

	Useful life
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.

(h) Impairment

(i) Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for one year or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties."

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit

Notes to the Financial Statements

assessment and including forward looking information. The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is one year or more past due.

Measurement of expected credit losses:

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet:

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(ii) Impairment of non-financial assets:

"The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. "

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset). In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. Impairment loss recognised in respect of a CGU is allocated to reduce the carrying amounts of assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In case of finished goods and work -in - progress, costs include an appropriate share of fixed production overhead based on normal operating capacity.

Notes to the Financial Statements

The method of determination of cost of various categories of inventories are as follows:

Raw materials, packing materials, stores and spares and traded goods First-in -first out ('FIFO) method

Work-in-progress and finished goods (including goods in transit)First-in -first out ('FIFO) method

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

(j) Revenue recognition

Sale of manufactured and traded goods (including sale of spent malt and scrap)

"The Company derives its revenue through business of brewing, packaging distribution, marketing and sale of beer. Revenue is recognized upon transfer of control of promised goods to customers in an amount that reflects the consideration that the Company expects to receive in exchange for those goods. Sale of products is recognised when the control in the goods are transfered to the buyer which is when the performance obligation is met, based on contract with customers. Interest Income: Interest income is recognised using the effective interest rate. It is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument, but does not consider the expected credit loss.

Royalty Income

Income from royalties recognised based on contractual agreements.

(k) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in the Statement of Profit or Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs (see note I below). Contingent rentals are recognised as expenses in the periods in which they are incurred. Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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.

Notes to the Financial Statements

(l) Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the Statement of Profit or Loss in the period in which they are incurred.

(m) Employee benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of Profit or Loss in the periods during which the related services are rendered by employees.

The Company has an arrangement with Life Insurance Corporation of India to administer its superannuation scheme, which is a defined contribution scheme. The contributions to the said scheme are charged to the Statement of Profit and Loss on an accrual basis.

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.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit or Loss.

Compensated absences

Compensated absences are provided for based on actuarial valuation carried out by an independent actuary as at the balance sheet date.

(n) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

(o) Income taxes

Income tax comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax

Notes to the Financial Statements

rates (and tax laws) enacted or substantively enacted by the reporting date.

Minimum alternate tax ('MAT') paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as 'MAT Credit Entitlement'. The Company reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(p) Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The disclosure of contingent liability is made when, as a result of obligating events, there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible or a present obligations where the likelihood of outflow of resources is remote, no provision or disclosure is made. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Provisions and contingent liability are reviewed at each balance sheet date.

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.

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(q) Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to owner's of the Company for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings/ (loss) per share comprises the weighted average shares considered for deriving basic earnings/ (loss) per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and which either reduces earnings per share or increase loss per share are included.

(r) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprises of cash on hand, deposits held at call with financial institutions, 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 and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(s) Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

(t) 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 asset.

(u) Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets: Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at:

- amortised cost;
- FVTPL"

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at an individual asset level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

Notes to the Financial Statements

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated
- e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non- recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant

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period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

iv. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit or loss.

v. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

vi. Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency and interest rate 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 are measured at fair value, and changes therein are generally recognised in profit or loss.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

(v) Operating segments

The Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes. Accordingly, segment information has been presented for industry classes.

The operating segment of the Company is identified to be "Manufacture and sale of beer" as the CODM reviews business performance at an overall Company level as one segment.

(w) Recent accounting pronouncements

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Ind AS 116 Leases :

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit & loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

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- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application either by: Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:
- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application Certain practical expedients are available under both the methods.

  The Company is currently assessing the impact on adoption of this standard on the Company's financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement-

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The Company is currently assessing the effect of this amendment on the financial statements.

Amendment to Ind AS 12 'Income Taxes':

On March 30, 2019, the Ministry of Corporate

Affairs has notified limited amendments to Ind AS 12 'Income Taxes'.

The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019. The Company is assessing the effect of the above on its financial statements.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition -

i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and

ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

   The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company is currently assessing the impact on adoption of this standard on the Company's financial statements.

On July 24 2020, the Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting

Notes to the Financial Statements

Standards) Amendment Rules, 2020 amending various standards. The Company is currently assessing the impact of such amendement on the Company's financial statements.

2 Significant accounting judgements, estimates and assumptions

"In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, incomes and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements are included in the following notes:

- note 31: lease: whether an arrangement contains a lease and;
- note 31: lease classification.

Assumptions and estimation uncertainties

Information about assumptions and estimations uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2019 is included in the following notes:

- note 4A & 4B: useful life of items of property, plant and equipment and intangible assets;
- note 29 and 39: recognition and measurement of contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- note 34: measurement of defined benefit obligation - key actuarial assumptions.
- note 40: impairment of property, plant and equipment, including capital work in progress and intangible assets.
- note 43: impairment of non financial assets.
- note 28D & 28E: recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used.
- note 47 fair valuation of share based payment transactions

Notes to the Financial Statements

4A Property, plant and equipment

Reconciliation of carrying amount for the year ended 31 March 2019 and 31 March 2018:

(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	
Cost or deemed cost:										
Balance as at 1 April 2017	587.85	2,426.76	0.32	7,466.03	113.90	85.22	21.32	51.25	25.13	10,777.78
Additions	31.93	1,301.66	-	3,621.89	39.14	69.21	15.25	4.71	-	5,083.79
Disposals	0.27	96.32	-	602.92	38.09	36.07	0.05	10.91	-	784.63
Balance as at 31 March 2018	**619.51**	**3,632.10**	**0.32**	**10,485.00**	**114.95**	**118.36**	**36.52**	**45.05**	**25.13**	**15,076.94**
Balance as at 1 April 2018	619.51	3,632.10	0.32	10,485.00	114.95	118.36	36.52	45.05	25.13	15,076.94
Additions	-	38.92	-	570.63	3.20	4.93	0.37	0.09	-	618.14
Disposals	-	1.67	-	52.28	0.09	0.37	2.97	3.99	-	61.37
Balance as at 31 March 2019	**619.51**	**3,669.35**	**0.32**	**11,003.35**	**118.06**	**122.92**	**33.92**	**41.15**	**25.13**	**15,633.71**
Accumulated depreciation and impairment loss:										
Balance as at 1 April 2017	-	233.67	0.32	1,521.70	37.17	32.82	4.69	15.85	1.34	1,847.56
Depreciation for the year	-	182.89	-	1,011.97	31.88	18.73	3.96	9.20	0.69	1,259.32
Disposals	-	51.91	-	371.86	0.04	15.30	0.05	9.37	-	448.53
Balance as at 31 March 2018	**-**	**364.65**	**0.32**	**2,161.81**	**69.01**	**36.25**	**8.60**	**15.68**	**2.03**	**2,658.35**
Balance as at 1 April 2018	-	364.65	0.32	2,161.81	69.01	36.25	8.60	15.68	2.03	2,658.35
Depreciation for the year	-	175.89	-	1,332.46	35.45	21.63	4.47	9.15	0.69	1,579.74
Disposals	-	0.26	-	29.05	0.05	0.20	0.84	1.18	-	31.58
Balance as at 31 March 2019	**-**	**540.28**	**0.32**	**3,465.22**	**104.41**	**57.68**	**12.23**	**23.65**	**2.72**	**4,206.51**
Carrying amounts:										
As at 31 March 2018	**619.51**	**3,267.45**	**-**	**8,323.19**	**45.94**	**82.11**	**27.92**	**29.37**	**23.10**	**12,418.59**
As at 31 March 2019	**619.51**	**3,129.07**	**-**	**7,538.13**	**13.65**	**65.24**	**21.69**	**17.50**	**22.41**	**11,427.20**

Notes:

i) Includes building constructed on leasehold land.

ii) Significant estimates

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life, if any. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Notes to the Financial Statements

iii) Title deeds

All the title deeds of immovable properties of freehold land and leasehold land are held in the name of erstwhile entities which were amalgamated with the Company over time as part of acquisition. Details of title deeds of certain parcels of freehold land & leasehold land which are currently not in possession of the Company are as below:

(INR Million)

Balance as at	Freehold land		Leasehold land	
	Gross amount	Carrying amount	Gross amount	Carrying amount
31 March 2019	64.32	64.32	18.86	8.15
31 March 2018	64.32	64.32	18.86	8.62

iv) The Company has incurred losses of ~ ₹3,045.60 million during the year, resulting in accumulated losses of ~ ₹ 16,509.80 million as at March 31, 2019. 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, capital work in progress, intangibles and goodwill, aggregating to ₹ 13,209.58 million as at March 31, 2019. 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 which is expected to result in improved margins. In determining the recoverable value of the assets, the Management has considered future revenue growth from new product brands, revisions in volume and product mix resulting in growth of higher margin products, as well as the adjustment arising from the above initiatives in developing its projections. 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 12 years for these projections, wherein they have considered a CAGR of 13% for the first five years and then at nil growth rate for the balance years. The discount rate considered for the purpose of determining the present value of its future cash flows has been determined based on weighted average cost of capital at 16%.

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 capital work in progress, intangible assets and goodwill, exceeds the carrying value and accordingly no impairment under Ind AS 36 needs to be recorded as of March 31, 2019.

4B Intangible assets

Reconciliation of carrying amount for the year ended 31 March 2019 and 31 March 2018:

(INR Million)

Particulars	Brands	Computer software	Total
Balance as at 1 April 2017	1,840.38	111.42	1,951.80
Additions	-	71.79	71.79
Disposals	-	0.06	0.06
Balance as at 31 March 2018	**1,840.38**	**183.15**	**2,023.53**
Balance as at 1 April 2018	1,840.38	183.15	2,023.53
Additions	-	2.56	2.56
Disposals	-	-	-
Balance as at 31 March 2019	**1,840.38**	**185.71**	**2,026.09**
Accumulated amortisation and impairment loss			
Balance as at 1 April 2017	341.10	52.15	393.25
Amortisation for the year	170.55	30.27	200.82
Disposals	-	0.03	0.03
Balance as at 31 March 2018	**511.65**	**82.39**	**594.04**

Notes to the Financial Statements

(INR Million)

Particulars	Brands	Computer software	Total
Balance as at 1 April 2018	511.65	82.39	594.04
Amortisation for the year	170.55	41.24	211.79
Disposals	-	-	-
Balance as at 31 March 2019	**682.20**	**123.63**	**805.83**
Carrying amounts (net):			
As at 31 March 2018	1,328.73	100.76	1,429.49
As at 31 March 2019	1,158.18	62.08	1,220.26

(INR Million)

	Particulars	As at 31 March 2019	As at 31 March 2018
5	**Non-current financial investments**		
	Other investments		
	Investments measured at Fair Value Through Profit and Loss		
	Investment in equity shares - Unquoted		
	0.08 million (31 March 2018: 0.08 million) fully paid up equity shares of ₹ 3 each in Vulcan Leasing and Investments Limited	0.08	0.08
	0.000295 million (31 March 2018: 0.000295 million) fully paid up equity shares of ₹ 100 each in Haryana State Cooperative Bank Limited	0.03	0.03
		0.11	**0.11**
	Provision for impairment in the value of investments	**(0.11)**	**(0.11)**
	Investments in bonds- Quoted		
	2 units (31 March 2018: 2 units) of 8% bonds of Gujarat Urja Vikas Nigam Limited of face value ₹ 70,000 each	0.14	0.14
	70 units (31 March 2018: 70 units) of 9.95% bonds of State Bank of India of face value ₹ 10,000 each	0.70	0.70
	1 unit (31 March 2018: 1 unit) of 8.75% bond of Oriental Bank of Commerce of face value ₹ 1,000,000	1.00	1.00
	1 unit (31 March 2018: 1 unit) of 8.70% bond of Power Finance Corporation Limited of face value ₹ 1,000,000	1.00	1.00
	Investments measured at amortised cost		
	Investments in government or trust securities- Unquoted		
	National Savings Certificates	2.26	2.26
	Indira Vikas Patra	0.03	0.03
		5.13	**5.13**
	Provision for impairment in the value of investments	**(5.13)**	**(5.13)**
	Aggregate book value of quoted investments	2.84	2.84
	Aggregate market value of quoted investments	0.02	0.75
	Aggregate value of unquoted investments	2.40	2.40
	Aggregate amount of impairment in value of investments	5.24	5.24

Notes to the Financial Statements

(INR Million)

	Particulars	As at 31 March 2019	As at 31 March 2018
6	**Loans**		
	A. Non-current loans		
	Unsecured, considered good		
	Loans to related parties (refer note 35)	1.59	1.58
		1.59	**1.58**
	B. Current loans		
	Unsecured, considered good		
	Loans to employees	10.05	4.77
		10.05	**4.77**
7	**Other financial assets**		
	A. Other non-current financial assets		
	Unsecured		
	Considered good:		
	Derivative financial asset	191.10	17.46
	Security deposit	132.77	132.76
	Rental deposit	40.39	35.09
	Advance to contract bottlers	159.93	72.51
	Balances with banks		
	- Margin money deposits with banks	11.27	59.40
	-Others	30.58	30.16
		566.04	**347.38**
	Considered doubtful:		
	Advance to contract bottlers	259.77	259.77
	Less: Allowances for doubtful advances	(259.77)	(259.77)
		-	-
		566.04	**347.38**
	B. Other current financial assets		
	Unsecured		
	Considered good:		
	Interest accrued but not due*	12.54	2.80
	Derivative financial asset	112.27	76.47
		124.81	**79.27**

Notes to the Financial Statements

(INR Million)

	Particulars	As at 31 March 2019	As at 31 March 2018
8	**Other tax assets (net)**		
	Advance tax and tax deducted at source (net of provision for income-tax)	190.03	218.43
		190.03	**218.43**
9	**Other assets**		
	A. Other non-current assets		
	Unsecured		
	Considered good:		
	Capital advances	26.19	13.24
	Advances other than capital advances:		
	- Security deposits with government authorities	31.54	20.72
	- Duties paid under protest under contract bottling arrangements	74.59	45.84
	-Deposits paid under protest	847.14	800.39
	Others		
	- Prepaid rent	0.24	1.85
	- Prepaid expenses	3.44	4.73
	- Other assets	-	1.97
		983.14	**888.74**
	Considered doubtful:		
	Capital advances	0.44	0.44
	Other advances	90.95	91.00
	Less: Allowance for doubtful advances	(91.39)	(91.44)
		-	**-**
		983.14	**888.74**
	B. Other current assets		
	Unsecured, considered good		
	Advance other than capital advances		
	- Advances for supply of goods and rendering of services	55.38	10.45
	- Advance to contract bottlers	183.21	222.49
	- Advance to related parties (refer note 33C)	140.90	24.09
	Others		
	- Duty drawback receivable	37.25	37.25
	- Prepaid rent	1.62	2.08
	- Prepaid expenses	306.91	205.73
	- Balances with excise and other government authorities	884.29	339.61
		1,609.56	**841.70**

Notes to the Financial Statements

(a) The Company has received confirmation of balance from one of its contract bottlers, which has a balance of ₹ 250.84 million receivable as at March 31, 2019 and noted that the said vendor had confirmed additional amounts as payable, not considered receivable by the Company, of amounts aggregating ₹ 175.96 million. The Company normally requests confirmation and conducts reconciliations with contract bottlers only at the time of cancellation of contracts and hence does not normally carryout annual balance reconciliations. Accordingly, the Company is in the process of requesting additional information to facilitate a more detailed reconciliation and adjustments, if any, would be recorded by the Company on completion of such reconciliation.

The Company has not requested or received any confirmation of balance from other contract bottlers and does not expect any material adjustments to arise from the same.

(INR Million)

	Particulars	As at 31 March 2019	As at 31 March 2018
10	**Inventories**		
	Raw materials	870.16	688.64
	Goods-in-transit (raw materials)	0.89	2.33
	Work-in-progress	210.59	266.13
	Finished goods	984.72	655.51
	Goods-in-transit (finished goods)	7.94	0.10
	Stores and spares	583.85	518.88
		2,658.15	**2,131.59**

Note:

(a) The cost of inventories recognised as an income during the year was ₹ 105.90 million (previous year: ₹ 294.99 million).

(b) The cost of inventories recognised as an expense during the year includes ₹ 84.56 million (previous year: ₹ Nil) in respect of write downs of inventory to net realisable value.

(c) The Company is carrying a provision of ₹ 184.90 million towards slow/non-moving/ expired inventory, being raw materials, finished goods and stock in trade as at March 31, 2019. These provision were made in the books based on the amounts as communicated by 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.

(INR Million)

	Particulars	As at 31 March 2019	As at 31 March 2018
11	**Trade receivables**		
	Receivables outstanding for a period exceeding six months from the date they became due for payment		
	Unsecured, considered good	6,595.16	5,292.18
	Receivable which has significant increase in credit risk	950.32	856.65
		7,545.48	**6,148.83**
	Provision for expected credit loss	(950.32)	(856.65)
	Net trade receivables	**6,595.16**	**5,292.18**

The Company's exposure to credit and currency risks, and movement in loss allowances related to trade receivables is disclosed in note 43.

Notes to the Financial Statements

(INR Million)

	Particulars	As at 31 March 2019	As at 31 March 2018
12	**Cash and cash equivalents**		
	Cheques on hand	-	100.00
	Balances with banks		
	- In current accounts	324.09	181.89
	- In exchange earners foreign currency account	50.90	58.58
	- In cash credit account	-	417.89
		374.99	**758.36**

(INR Million)

	Particulars	As at 31 March 2019	As at 31 March 2018
13	**Equity share capital**		
	Authorised		
	452,000,000 (31 March 2018: 450,000,000) equity shares of ₹ 10 each	4,520.00	4,500.00
	Issued, subscribed and fully paid up		
	408,577,878 (31 March 2018: 408,577,878) equity shares of ₹ 10 each	4,085.78	4,085.78
	All issued shares are fully paid up.		

* As part of Scheme of amalgation which is approved by regional director of Ministry of corporate affairs on 29.11.2018, the Company has increased its authorised share capital from 45,00,00,000 equity shares of ₹ 10 each to 45,20,00,000 equity shares of ₹ 10 each.

(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year

(INR million except share data)

Particulars	As at 31 March 2019		As at 31 March 2018	
	No of shares	Amount	No of shares	Amount
Number of shares at the beginning of the year	40,85,77,878	4,085.78	40,85,77,878	4,085.78
Add: Issued during the year	-	-	-	-
Number of shares outstanding at the end of the year	**40,85,77,878**	**4,085.78**	**40,85,77,878**	**4,085.78**

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

The Company has issued only one class of equity shares having a par value of ₹ 10 each. All equity shares rank equally with regard to dividends and share in the Company's residual assets. Each holder of equity shares is entitled to one vote per share.

(c) Equity shareholders holding more than 5% of equity shares along with the number of equity shares held at the beginning and at the end of the year is as given below:

Name of the shareholder	As at 31 March 2019		As at 31 March 2018	
	% of holding	No of shares	% of holding	No of shares
AB Inbev Asia BV	63.02%	25,74,93,180	63.02%	25,74,93,180
Anheuser Busch Inbev Breweries Private Limited	34.77%	14,20,76,253	34.77%	14,20,76,253

Notes to the Financial Statements

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

(INR Million)

Particulars	As at 31 March 2019	As at 31 March 2018
Anheuser Busch Inbev Asia BV - holding company	25,74,93,180	25,74,93,180
Subsidiary of ultimate holding company*		
Anheuser Busch Inbev Breweries Private Limited	14,20,76,253	14,20,76,253
SABMiller India Holdings	55,90,817	55,90,817
Austindia Pty Ltd	16,51,174	16,51,174

* Anheuser-Busch Inbev SA/NV is the ultimate holding company.

(e) There are no shares allotted as fully paid up pursuant to contract(s) without payment being received in cash / issued as bonus shares / bought back during five years immediately preceding 31 March 2019.

(INR Million)

	Particulars	As at 31 March 2019	As at 31 March 2018
14	**Other equity**		
	Capital Reserve		
	At the commencement of the year	2.00	2.00
	At the end of the year	2.00	2.00
	Securities premium		
	At the commencement of the year	13,965.64	13,965.64
	At the end of the year	13,965.64	13,965.64
	Amalgamation adjustment reserve / (deficit) account		
	At the commencement of the year	(1,029.74)	(1,029.74)
	At the end of the year	(1,029.74)	(1,029.74)
	General reserve		
	At the commencement of the year	1,218.40	1,218.40
	At the end of the year	1,218.40	1,218.40
	Equity contribution by parent company in the form of Employee Stock Options (Refer Note 40)		
	At the commencement of the year	620.08	502.77
	Add: Additions during the year	264.07	117.31
	At the end of the year	884.15	620.08
	Retained earnings		
	At the commencement of the year	(13,463.54)	(12,323.31)
	Add: Net profit/(loss) for the year	(3,045.60)	(1,134.42)
	Add: Remeasurements of defined benefit obligation	(0.66)	(5.81)
	At the end of the year	(16,509.80)	(13,463.54)
		(1,469.35)	**1,312.84**

Notes to the Financial Statements

Nature and purpose of other reserves:

Capital reserve:

Capital reserve represents Investment subsidy received from Government.

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 used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in General Reserve will not be reclassified subsequently to the Statement of Profit and Loss.

Equity contribution by parent company in the form of ESOP:

The amount pertains to contribution by Ultimate holding company for the settlement of ESOP in cash for which the Company does not have an obligation to settle the transaction with its employees. Therefore, the Company has recognised corresponding increase in Equity as contribution from Ultimate Holding 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 profit after tax is transferred from the Statement of Profit and Loss to the Retained Earnings account.

15 Borrowings

A. Non-current borrowings

(INR Million)

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured		
Term loan from bank	-	2,422.22
Loans from related parties (refer note 33C):		
- External Commercial Borrowings (ECB)	5,326.84	6,179.25
- Others	555.69	152.80
	5,882.53	**8,754.27**

(a) Terms of repayment :

Particulars	Repayment terms	Interest rate
External commercial borrowings from related party (AB Inbev Asia BV)	Repayable in a single bullet payment at the end of the term for each drawdown. Refer to table below for year-wise details on amount repayable.	LIBOR + 60 to 235 basis points
Term loan from bank	Repayable in a single bullet payment at the end of the term for each drawdown. Refer to table below for year-wise details on amount repayable.	LIBOR + 173 basis points
Other loans from related party (SKOL Beer Manufacturing Company Limited)	Repayable after 1 April 2022	9% per annum

Notes to the Financial Statements

ECB from related party - (INR Million)

Due for repayment in financial year	As at 31 March 2019	As at 31 March 2018
2018-19	NA	975.66
2019-20	1,936.80	3,593.01
2020-21	1,867.63	1,756.19
2022-23	3,458.57	3,252.27
	7,263.00	**9,577.13**

* Balance as at 31 March 2019 has been disclosed under current maturities of long term debts in Note 16B.

Term loan from bank

Due for repayment in financial year	As at 31 March 2019	As at 31 March 2018
2019-20	2,570.80	2,422.22
	2,570.80	**2,422.22**

* Balance as at 31 March 2019 has been disclosed under current maturities of long term debts in Note 16B.

(a) Of the above external commercial borrowings, the Company has defaulted on repayment of USD 5 million which was due for repayment during the financial year 2018-19. Currently, the Company is in discussion with the group company to extend the terms of repayment for a later date. The Company would be seeking necessary approval for delay in remitting the dues from appropriate authorities. There have been no other defaults in repayment of principal and interest for the year ended 31 March 2019 (31 March 2018: Nil)

(b) The Company has entered into an interest swap arrangements to pay fixed interest in the range of 2.40% - 3.18% per annum for 31 March 2019 (31 March 2018: 2.40% - 3.18%) and receive floating LIBOR with a spread ranging from 0.60% - 2.35% per annum (31 March 2018: 0.60% - 2.35%) in relation to its ECB from related party. B. Current borrowings

B. Current borrowings

Particulars	As at 31 March 2019	As at 31 March 2018
Loan repayable on demand		
Unsecured		
- From banks		
- Bank overdraft	1,050.63	-
Other loans		
Unsecured		
Working capital loans		
- From banks	2,000.00	300.00
- Others	950.00	-
	4,000.63	**300.00**

Notes:

(a) There have been no defaults in repayment of principal and interest during the year ended 31 March 2019 (31 March 2018: Nil).

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

Notes to the Financial Statements

16 Other financial liabilities

A. Other non-current financial liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Derivative financial liabilities	9.33	334.59
Others		
- Deposits from customers and del-credere agents	90.55	90.04
- Deposits received from contract bottlers	10.00	10.00
- Interest accrued but not due to related parties (Refer note 33C)	31.10	0.34
	140.98	**434.97**

B. Other current financial liabilities

Current maturities of long term debts (refer note 15A & 33C)	4,507.60	975.66
Interest accrued but not due on borrowings	39.41	105.72
Interest accrued but not due on micro and small enterprises (refer note 38)	31.91	8.78
Payable to related parties for capital goods		
- Micro and small enterprises (Refer note 38)	-	9.86
- Others	499.42	402.75
Payable to related parties for expenses (refer to note 33C)	69.16	141.85
Book overdraft	-	0.90
	5,147.50	**1,645.52**

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

Particulars	As at 31 March 2019	As at 31 March 2018
17 Provisions		
A. Non-current provisions		
Provision for employee benefits		
- Gratuity (refer note 34)	115.87	117.93
- Compensated absences (refer note 34)	31.62	42.26
	147.49	**160.19**
B. Current provisions		
Provision for employee benefits		
- Gratuity (refer note 34)	9.95	10.95
- Compensated absences (refer note 34)	6.96	15.33
Others		
- Provision for claims and other duties (refer to note 39)	1,382.62	1,523.06
	1,399.53	**1,549.34**

Notes to the Financial Statements

	Particulars	As at 31 March 2019	As at 31 March 2018
18	**Other liabilities**		
A.	**Other non-current liabilities**		
	Deferred revenue	5.69	7.24
	Deferred Government grants (refer note 32)	80.30	93.00
	Rent equalisation reserve	0.25	1.67
		86.24	**101.91**
B.	**Other current liabilities**		
	Deferred revenue	6.82	8.65
	Deferred Government grants (refer note 32)	12.70	12.70
	Advance received from customers	194.19	69.24
	Excise duty payable	587.33	467.87
	Statutory dues	332.73	308.77
	Rent equalisation reserve	1.42	0.82
		1,135.19	**868.05**
19	**Trade payables**		
	Due to micro and small enterprises (refer note 38)	122.29	93.57
	Due to other than micro and small enterprises*	5,589.20	5,581.76
		5,711.49	**5,675.33**
	The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 43.		
	* Includes payable to related parties (refer note 33C)		
20	**Current tax liabilities (net)**		
	Provision for income-tax (net of advance tax and tax deducted at source)	50.04	50.04
	Provision for fringe benefit tax (net of advance tax)	5.05	5.05
		55.09	**55.09**

(INR Million)

	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
21	**Revenue from operations**		
	Sale of products	31,225.07	30,072.48
	Other operating revenue		
	- sale of spent malt and scrap	274.94	297.08
	- duty draw back on exports	14.15	22.60
	- royalty income	49.30	36.92
		31,563.46	**30,429.08**

Notes to the Financial Statements

(INR Million)

	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
22	**Other income**		
	Interest income*		
	- on bank deposits	10.10	8.24
	- on other financial assets carried at amortised cost	1.73	3.07
	Interest on income tax refund	12.78	34.04
	Dividend income	-	0.16
	Net gain on foreign currency translation and transactions	373.12	-
	Reversal of provision towards claims and other duties, net (refer note 39)	140.44	-
	Other non-operating income		
	- Profit on sale of fixed assets, net	2.03	1,884.06
	- Release of deferred Government grants (refer note 32)	12.70	12.85
	- Provisions/ liabilities no longer required written back	71.97	243.35
	- Miscellaneous income	59.21	183.67
		684.08	**2,369.44**
	* Includes interest income earned from related parties (refer note 33B)		
23	**Changes in inventories of finished goods, work-in-progress and stock-in-trade**		
(a)	Opening stock		
	Finished goods, including goods-in-transit	655.61	1,700.42
	Work-in-progress	266.13	222.36
	Stock-in-trade	-	0.17
		921.74	**1,922.95**
	Less: Excise duty on opening stock	(506.93)	(1,140.34)
	A	**414.81**	**782.61**
(b)	Closing stock		
	Finished goods, including goods-in-transit	992.66	655.61
	Work-in-progress	210.59	266.13
	Stock-in-trade	-	-
		1,203.25	921.74
	Less: Excise duty on closing stock	(493.12)	(506.93)
	B	**710.13**	**414.81**
	(A - B)	**(295.32)**	**367.80**

Notes to the Financial Statements

(INR Million)

	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
24	**Employee benefits expense**		
	Salaries and wages	1,610.57	1,637.20
	Contribution to provident and other funds (refer note 34)	61.98	64.25
	Employee stock option contribution by parent (refer note 47)	264.07	117.31
	Staff welfare expenses	56.03	41.07
		1,992.65	**1,859.83**
25	**Finance costs**		
	Interest expense*	851.82	996.63
	Exchange fluctuation on foreign currency borrowings, net	538.55	21.41
	Loss on fair valuation of financial instruments	-	58.70
	Interest on micro and small enterprises (refer note 38)	22.87	5.04
	Other borrowing costs	4.92	3.46
	Sub-total	**1,418.16**	**1,085.24**
	Less: Interest capitalised	-	(86.47)
		1,418.16	**998.77**
	* Includes interest paid to related parties (refer note 33B)		
26	**Depreciation and amortisation expense**		
	Depreciation of property, plant and equipment (refer note 4A)	1,579.74	1,259.32
	Amortisation of intangible assets (refer note 4B)	211.79	200.82
		1,791.53	**1,460.14**
27	**Other expenses**		
	Commission on sales	108.30	246.87
	Freight outward	1,037.77	1,080.34
	Power and fuel	545.22	546.09
	Advertisement and publicity	335.11	284.25
	Rates and taxes	484.36	485.55
	Legal and professional*	485.79	140.48
	Clearing and forwarding	187.04	350.56
	Travel and conveyance	217.20	182.78
	Consumption of stores and spare parts	183.14	210.93
	Conversion charges paid to contract bottlers	173.68	312.21
	Rent (refer note 31)	130.60	134.03
	Repairs		
	- buildings	75.74	43.10
	- plant and machinery	114.75	81.73

Notes to the Financial Statements

(INR Million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
- others	155.65	90.02
Insurance	33.92	40.77
Provision for doubtful receivables and advances	93.67	124.13
Bad and doubtful debts receivables and advances written off	-	150.06
Provision for claims and other duties, net (refer note 39)	-	316.01
Provision for impairment in the value of investments	-	5.13
Stores and spares written off	-	20.34
Net loss on foreign currency translation and transactions	-	43.50
Miscellaneous expenses	380.32	395.04
	4,742.26	**5,283.92**

* Auditor's remuneration (included in legal and professional charges)

(INR Million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
As auditor		
- for statutory audit	16.00	11.50
- for other services	-	0.20
Reimbursement of expenses	2.88	2.41
	18.88	**14.11**

(INR Million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
28 Income tax		
A. Amounts recognised in statement of profit and loss		
Current income tax:		
Current income tax charge	-	-
Adjustments in respect of current income tax of previous years	-	30.23
	-	**30.23**
Deferred tax:		
Attributable to -		
Origination and reversal of temporary differences	-	-
	-	**-**
Income tax expense reported in the statement of profit or loss	-	30.23

Notes to the Financial Statements

(INR Million)

	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
B.	**Income tax recognised in other comprehensive income (OCI)**		
	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:**		
	Accounting profit / (loss) before income tax	(3,045.60)	(1,104.19)
	At India's statutory tax rate of 34.608% (31 March 2018: 34.608%)	(1,054.02)	(382.14)
	Non recognition of deferred tax asset on carry forward losses (refer note E below)	1,054.02	382.14
	Adjustments in respect of current income tax of previous years	-	30.23
	Income tax expense	**-**	**30.23**
D.	**Deferred tax**		
	Deferred tax relates to the following:		
	Deferred tax assets/ (liabilities)		
	Excess of depreciation allowed under Income-tax Act, 1961 over depreciation as per books	(995.51)	(1,498.65)
	Unabsorbed depreciation to the extent of deferred tax liability (refer note E below)	995.51	1,498.65
	Deferred tax assets/ (liability)	**-**	**-**

E. Unrecognised Deferred tax assets

Deferred tax asset have not been recognised in respect of carry forward business losses and unabsorbed depreciation because it is not probable that future taxable profit will be available against which the Company can use the benefit therefrom. 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. Majority of the business loss will expire between March 2020 to March 2027.

(INR Million)

Particulars	As at 31 March 2019	As at 31 March 2018
Business loss	1,647.58	4,073.62
Unabsorbed depreciation	11,224.38	12,014.81
Total	12,871.96	16,088.43

Notes to the Financial Statements

29 Contingent liabilities and commitments (to the extent not provided for)

(INR Million)

Particulars	As at 31 March 2019	As at 31 March 2018
Contingent liabilities:		
Claims against the Company not acknowledged as debt in respect of: (refer note i & ii)		
a) Sales tax matters	349.39	229.55
b) Excise matters	81.36	35.64
c) Service tax matters	224.46	224.46
d) Custom matters	0.26	0.26
e) Other matters	462.50	401.07
Commitments:		
a) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	391.81	234.86
b) Other commitments - Purchase of raw materials (Hops and cans)	8.55	493.59

Notes:

i) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

ii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. Based on the advice from the Company's legal counsel, management does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Company does not expect any reimbursements in respect of the above contingent liabilities.

iii) An investigation under the Competition Act, 2002 was initiated by the Competition Commission of India ("CCI") against certain past conducts of SABMiller India (AB InBev acquired SABMiller India in October 2016). AB InBev India Limited (formerly known as SABMiller India Limited) has been cooperating with the CCI in the investigation and has made requisite submissions. Since the matter is currently sub-judice, it is not practicable to state and estimate its financial effect, if any. Management, and its legal advisors, are assessing the mitigating circumstances to counter presumptions, if any, which could be made against the Company by the CCI under the Competition Act, 2002.

30 Earnings per share (EPS)

(i) Reconciliation of earnings for calculation of earnings per share:

(INR Million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Total profit/ (loss) as per Statement of Profit and Loss	(3,045.60)	(1,134.42)
Net profit/(loss) for basic earnings per share	**(3,045.60)**	**(1,134.42)**
Net profit/(loss) for diluted earnings per share	**(3,045.60)**	**(1,134.42)**

Notes to the Financial Statements

(ii) Reconciliation of number of equity shares for computation of earnings per share (basic and diluted):

(INR Million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Number of equity shares at the beginning of the year	408.58	408.58
Add: Weighted average number of equity shares issued during the year	-	-
Weighted average number of equity shares for calculation of earnings per share	408.58	408.58

(iii) Earnings per share:

(INR Million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
From continuing operations		
- Basic	(7.45)	(2.78)
- Diluted	(7.45)	(2.78)

31 Leases

Operating lease

Assets taken on operating lease:

The Company has taken on lease office premises, a brewing facility, motor vehicles, warehouses and depots under operating lease agreements. Total rental expense under non-cancellable operating leases amounted to ₹ 49.13 million (As at 31 March 2018: ₹ 65.93 million) for the year ended 31 March 2019. Future minimum lease rentals payable under non-cancellable operating leases are as follows:

Future minimum lease payments

The future minimum lease payments to be made under non-cancellable operating leases as on 31 March 2019 and 31 March 2018 are as follows:

(INR Million)

Particulars	As at 31 March 2019	As at 31 March 2018
Payable in less than one year	35.17	34.39
Payable between two and five years	4.96	36.96
Payable after five years	-	-

Total rental expense under cancellable operating leases amounted to ₹ 81.47 million (As at 31 March 2018: ₹ 68.10 million) for the year ended 31 March 2019.

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 2019, the Company has received a cumulative total grant of ₹ 211.80 million (As at 31 March 2018: ₹ 211.80 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 ₹ 93.40 million (As at 31 March 2018: ₹ 106.10 million), including release during the year amounting to ₹ 12.70 million (As at 31 March 2018: ₹ 12.85 million), has been credited to the Statement of Profit and Loss during the year 31 March 2019.

The unamortised amount of total grants received as at 31 March 2019 is ₹ 105.85 million (As at 31 March 2018: ₹ 105.70 million). There are no unfulfilled conditions or other contingencies attached to the grants that has been recognised.

Notes to the Financial Statements

33 Related party disclosures

A. Details of related parties:

I. Entities where control exists

- Anheuser Busch InBev SA/NV – Ultimate holding company
- ABI SAB Group Holding Limited – Intermediate holding company
- AbInBev Asia BV – Holding company

II. Entity having significant influence

- Anheuser Busch InBev Breweries Private Limited

III. Entities under common control, and associates of holding company with whom transactions have taken place:

- SKOL Beer Manufacturing Company Limited
- MBL Breweries Limited
- Anheuser Busch InBev USA, LLC
- SKOL Global Business Services Private Limited
- Crown Beers India Private Limited
- ABInBev Corporate Services Ltd
- SABMiller (Asia) Limited
- Anheuser - Busch InBev Procurement GmbH
- CUB Pty Ltd, Australia
- Kgalgadi Breweries (Pty) Ltd
- AB InBev Africa & Asia BV
- SABMiller Europe AG
- Anheuser-Busch InBev Vietnam Brewery Company Limited
- Anheuser Busch InBev Global Capability Center
- Unión de Cervecerias Peruanas Backus y Johnston S A A
- GCC Services India Pvt Ltd

V. Key management personnel of the entity

Executive key management personnel represented on the Board of the Company are -

- Karuna Shankar Pande, Whole Time Director (upto 22 September 2017)
- Gagandeep Sethi, Whole Time Director (effective 21 September 2017)
- Anil Arya, Chief Financial Officer (effective 15 February 2017 and upto 12 October 2018)
- Naveen Jain, Company Secretary (effective 1 March 2017 and upto 18 April 2019)
- Nishi Vijayvargiya, Company Secretary (from 17 October 2019)
- Ben Verhaert, Director (effective 27 November 2017)
- Sehiah Sridhar, Company Secretary (upto 28 February 2017)
- Cherian Kurien, Chief Financial Officer (from 11 April 2019)

Notes to the Financial Statements

B. Transactions with related parties: (INR Million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Repayment of unsecured loan taken		
- SKOL Beer Manufacturing Company Limited	1.56	1.33
Interest expense		
- AbInBev Asia BV	361.75	234.89
- SKOL Beer Manufacturing Company Limited	9.65	8.83
- Crown Beers India Private Limited	30.73	0.37
Interest income		
- Anheuser Busch Inbev Breweries Private Limited	0.14	0.13
Unsecured Loan taken		
- Crown beers india Private Limited	395.77	49.63
Loans given		
- SKOL Global Business Services Private Limited	12.44	-
- Anheuser Busch Inbev Breweries Private Limited (Formerly known as SABMiller Breweries Private Limited)	0.01	0.13
Loans repaid		
- SKOL Global Business Services Private Limited	12.44	-
- Anheuser Busch Inbev Breweries Private Limited	-	0.02
Purchase of finished goods		
- Crown Beers India Private Limited	13.09	3.23
Purchase of raw materials		
- Crown Beers India Private Limited	186.98	64.95
Purchase of capital goods		
- Crown Beers India Private Limited	-	41.93
Sale of raw materials		
- Crown Beers India Private Limited	108.56	3.09
- CUB Pty Ltd, Australia	-	4.99
Deposits given on behalf of the Company		
- Anheuser Busch InBev USA, LLC	-	9.57
Deposits given to		
- Ben Verhaert	5.66	9.57
- Cherian Kurien	1.71	-
Sitting fees paid to Independent directors		
- Arun Monappa	0.8	-
- Sapna Taneja	1.00	-
Deposits recovered		
- Ben Verhaert	-	4.35

Notes to the Financial Statements

B. Transactions with related parties (continued): (INR Million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Expenses incurred on behalf of related party		
- Crown Beers India Private Limited	-	80.63
- Anheuser Busch Inbev SV/NA	15.98	8.53
- MBL Breweries Limited	0.01	0.13
- SABMiller (Asia) Limited	-	0.42
- GCC Services India Pvt Ltd	3.10	-
- ABI SAB Group Holding Limited	8.21	6.74
- Anheuser - Busch InBev Procurement GmbH	4.41	4.13
- CUB Pty Ltd, Australia	124.92	48.15
- Unión de Cervecerias Peruanas Backus y Johnston S A A	-	2.92
- AB Inbev Chaina co.ltd	2.63	-
- AB Inbev USA	0.96	-
- Anheuser Busch Inbev Breweries Private Limited	0.60	-
- Anheuser-Busch InBev Vietnam Brewery Company Limited	1.06	-
Reimbursement of expenses		
- Crown Beers India Private Limited	31.26	164.81
- Anheuser Busch InBev USA, LLC	-	1.77
Advances written off		
- AB InBev Africa & Asia BV	-	0.02
- ABI SAB Group Holding Limited	-	2.11
- CUB Pty Ltd, Australia	1.93	-
- GCC Services India Pvt Ltd	3.10	-
Liabilities no longer required written back		
- SABMiller Europe AG	-	0.08
- Kgalgadi Breweries (Pty) Ltd	-	0.05
Commission paid on purchase of raw materials		
- Anheuser - Busch InBev Procurement GmbH	-	12.59
Short term employee benefits		
- Karuna Shankar Pande	-	8.10
- Anil Arya	15.06	10.15
- Cherian Kurien	28.30	-
- Nishi Vijayvargiya	-	-
- Naveen Jain	2.75	3.24
- Ben Verhaert	68.92	35.00
- Sehiah Sridhar	-	-
- Gagandeep Sethi	9.88	6.24
ESOP expense for options granted by parent entity		
- Anheuser Busch InBev SA/NV	264.07	117.31

Post-employment defined benefit

Does not include gratuity and compensated absences as these are provided in the books of account on the basis of actuarial valuation for the Company as a whole and hence individual amount cannot be determined.

Notes to the Financial Statements

C. The following is a summary of balances receivable from and payable to related parties:

(INR Million)

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current loans		
- Anheuser Busch InBev Breweries Private Limited	1.59	1.58
Interest accrued but not due from		
- Anheuser Busch InBev Breweries Private Limited	0.13	0.12
Interest accrued but not due to		
- Crown Beers India Private Limited	31.10	0.34
Advances		
- Anheuser Busch InBev Breweries Private Limited	5.14	1.95
- ABI SAB Group Holding Limited	15.30	6.77
- CUB Pty Ltd, Australia	108.75	1.64
- SABMiller (Asia) Limited	1.66	1.66
- Anheuser-Busch InBev SA/NV	8.38	8.53
- Unión de Cervecerias Peruanas Backus y Johnston S A A	-	2.92
- MBL Breweries Limited	0.63	0.62
- Ben Verhaert	-	5.21
- AB InBev china co., Ltd	2.60	-
- Anheuser-Busch InBev Vietnam Brewery Company Limited	1.06	-
Trade payables		
- Crown Beers India Private Limited	260.45	120.26
- Anheuser - Busch InBev Procurement GmbH	87.07	78.45
- Anheuser Busch InBev USA, LLC	48.62	0.52
- Naveen Jain	-	0.06
Trade receivables		
- Crown Beers India Private Limited	75.03	-
- CUB Pty Ltd, Australia	-	4.87
Borrowings		
- SKOL Beer Manufacturing Company Limited	110.29	103.16
- AbInBev Asia BV	7,263.64	7,154.91
- Crown Beers India Private Limited	445.40	49.63
Other current financial liabilities		
- ABInBev Corporate Services Ltd	-	131.18
- Anheuser Busch InBev USA, LLC	-	10.67

D. Terms and conditions

All transactions and outstanding balances with these related parties are priced on an arm's length basis and are to be settled within the credit period allowed as per the policy. None of the balances are secured.

Notes to the Financial Statements

34 Employee benefits obligations

(i) Defined contribution plan:

Provident 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. These contributions are made to the fund administered and managed by the Government of India 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.

(INR Million)

Particulars	As at 31 March 2019	As at 31 March 2018
Provident fund	38.28	39.33
Employee state insurance scheme	1.64	2.13

(ii) Defined benefits plan

A The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. 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.

B Reconciliation of the Defined Benefit Obligation

Change in defined benefit obligation:

(INR Million)

Particulars	As at 31 March 2019	As at 31 March 2018
Obligations at the beginning of the year	145.71	162.01
Included in Statement of Profit and Loss:		
- Service Cost	13.70	15.00
- Interest Cost	9.40	9.69
Included in Other comprehensive income:		
- Actuarial (gains)/ losses arising from changes in financial assumptions	7.07	3.93
- Actuarial (gains)/ losses arising from changes in demograpic assumptions	(0.60)	8.66
- Actuarial (gains)/ losses arising from experience adjustments	(5.75)	(10.50)
Benefits settled	(30.41)	(43.08)
Obligations at year end	**139.12**	**145.71**

Notes to the Financial Statements

Change in fair value of plan assets:

(INR Million)

Particulars	As at 31 March 2019	As at 31 March 2018
Fair value of plans assets at the beginning of the year	**16.83**	**36.03**
Included in Other comprehensive income:		
- Actuarial (loss)/gain	0.06	(3.72)
Interest income on plan assets	1.04	1.89
Contributions	1.63	1.39
Benefits settled	(6.26)	(18.76)
Fair value of plans assets at year end	**13.30**	**16.83**
Liability recognised in the Balance sheet		
Present value of defined benefit obligation at year end	139.12	145.71
Fair value of plan assets at year end	13.30	16.83
Total employee benefit liabilities	**125.82**	**128.88**
Net liability:		
- Non current	115.87	117.93
- Current	9.95	10.95
	125.82	**128.88**

C (i) Defined Benefit expense recognised in Statement of profit and loss:

(INR Million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Cost for the year		
Service cost	13.70	15.00
Interest cost	8.36	7.80
Net gratuity cost	**22.06**	**22.80**

(ii) Remeasurements recognised in Other comprehensive income: (INR Million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Actuarial (gains)/ losses arising from changes in financial assumptions	7.07	3.93
Actuarial (gains)/ losses arising from changes in demographic assumptions	(0.60)	8.66
Actuarial (gains)/ losses arising from experience adjustments	(5.75)	(10.50)
Actuarial (gains)/ losses on plan assets	(0.06)	3.72
Net gratuity cost	**0.66**	**5.81**

D Other disclosures

(a) Actuarial assumptions

D Other disclosures

(a) Actuarial assumptions

Notes to the Financial Statements

Principal actuarial assumptions at the reporting date:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Discount rate	7.20%	7.20%
Expected rate of return on plan assets	7.20%	7.20%
Salary Escalation Rate	5.00%	5.00%
Retirement age	58-60 Years	58-60 Years
Mortality table	IALM (2006-08) Ult	IALM (2006-08) Ult

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.

(b) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(INR Million)

Particulars	For the year ended 31 March 2019		For the year ended 31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (100 basis points movement)	(5.84)	6.39	(5.33)	5.77
Salary Escalation Rate (100 basis points movement)	6.41	(5.96)	5.85	(5.50)

Although the analysis doesn't take account of the full distribution of cash flows expected under the plan, it does provide an approximation of sensitivity of the assumptions shown.

(ii) Major categories of plan assets as a percentage of the fair value of total plan assets

(INR Million)

Particulars	As at 31 March 2019	As at 31 March 2018
Qualifying insurance policies from the insurer	100%	100%

E Compensated absences liability is provided for based on actuarial valuation as at balance sheet date. The Company has taken out a policy with Life Insurance Corporation of India (LIC) for future payment of this liability to its employees.

(INR Million)

Particulars	As at 31 March 2019	As at 31 March 2018
Liability	38.58	57.59
Charge to Statement of Profit and Loss	(8.16)	(5.92)

For actuarial assumptions refer Note 34(ii)D(a) above.

The discount rate for defined benefit plan and other long term benefits is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Notes to the Financial Statements

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	Purpose
Anheuser Busch InBev Breweries Private Limited	Not repayable before 1 April 2019	9.0%	General

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

(INR Million)

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Anheuser Busch Inbev Breweries Private Limited		
At the commencement of the year	1.58	1.47
Add: given during the year	0.01	0.13
Less: repaid during the year	-	(0.02)
At the end of the year	**1.59**	**1.58**

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 2019 and 31 March 2018 was as follows:

(INR Million)

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current borrowings	5,882.53	8,754.27
Current borrowings	4,000.63	300.00
Current maturities of non-current borrowings	4,507.60	975.66
Less: Cash and cash equivalents	(374.99)	(758.36)
Total net debt	**14,015.77**	**9,271.57**
Total equity	2,616.43	5,398.62
Total equity	**2,616.43**	**5,398.62**
Net debt to equity ratio	**5.36**	**1.72**

Notes to the Financial Statements

37 Segmental information

The Company is engaged in the manufacture and sale of beer. The operating segment of the Company in identified to be "Manufacture and sale of beer" as the chief operating decision maker (CODM) reviews business performance at an overall Company level as one segment.

Geographical information

(i) Revenue from external customers (gross of excise duty) (INR Million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
India	30,756.62	29,659.62
Other countries	806.84	769.46
Total	**31,563.46**	**30,429.08**

(ii) Non-current assets*

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
India	14,192.72	15,268.03
Other countries	-	-
Total	**14,192.72**	**15,268.03**

* Non-current assets include property, plant and equipment, capital work-in-progress, goodwill and intangible assets.

(iii) Revenue from major customers

Revenue from three customers of the Company for the year ended 31 March 2019 is INR 18,607.82 Millions (for the year ended 31 March 2018 - INR 15,880 Millions) which are individually more than 10 percent of the Company's total revenue.

38 Dues to Micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2019 has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier under the said Act. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

(INR Million)

Particulars	As at 31 March 2019	As at 31 March 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;		
(a) Principal amount remaining unpaid to any supplier as at the end of the accounting year	122.29	196.35
(b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.26	1.72
(c) The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period	-	-

Notes to the Financial Statements

(INR Million)

Particulars	As at 31 March 2019	As at 31 March 2018
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	22.87	3.97
(e) The amount of interest accrued and remaining unpaid at the end of each accounting period; and	31.91	8.78
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-

Dues to micro enterprises and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the Auditors.

No interest has been paid by the Company during the year.

Disclosure and correction of prior period disclosures:

During the financial year 2018-2019, the Company discovered that certain vendors were erroneously considered for the dues to Micro, small and medium enterprises and the interest thereof. As a consequence, the Micro, small and medium disclosure has been restated for financial year 2017-18 and presented.

39 Provision for claims

The provisions are utilised to settle previously anticipated and determined adverse outcomes of legal cases against the Company. The provision is based on independent 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.

(INR Million)

Particulars	For the year ended 31 Mar 2019	For the year ended 31 Mar 2018
Provision for indirect-tax cases		
Opening balance	1,462.44	1,152.79
Add: Addition during the year	95.81	318.54
Less: Unused amounts reversed during the year	(278.70)	(8.89)
Closing balance	**1,279.55**	**1,462.44**
Provision for water charges		
Opening balance	60.62	54.25
Add: Addition during the year	-	6.37
Less: Utilised during the year	-	-
Closing balance	**60.62**	**60.62**
Provision for legal cases		
Opening balance	-	-
Add: Addition during the year	42.45	-
Less: Utilised during the year	-	-
Closing balance	**42.45**	**-**
	1,382.62	**1,523.06**

Notes to the Financial Statements

Provision for indirect-tax cases

Several litigations are in process against the Company relating to Excise, Sales tax, Service tax and Customs duty related matters. 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

Several 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. The provision is based on independent advice obtained by the Company from external legal counsel. Due to the very nature of such provisions, it is not possible to estimate the timing/ uncertainties relating to their outflows.

40 Subsequent to the year end, the Company has made changes in the IT infrastructure, wherein emails pertaining to a period of more than 60 days were not being retained, which resulted in certain emails evidencing approvals related to certain transactions not being retained. The management has verified the transactions recorded to confirm the appropriateness of these transactions.

The summary of such transactions, was reviewed and approved by the Board of Directors at their meeting held on July 29, 2020.

This process resulted in significant delays in the closure of the books of account which also resulted in the Company having to extend the planned date of the Annual General Meeting. The Management does not anticipate the resulting penalties arising from the delay in holding the annual general meeting to be material.

41 "During the earlier year, the Company has issued 95,407,142 equity shares of face value of ₹ 10 per share at a price of ₹ 56 per share to its holding Company, i.e. Sab Miller Asia B.V amounting to ₹ 5,342.80 million. As per Section 62(1)(C) of the Companies Act, 2013, the price of such shares is to be determined as per the valuation report of a registered valuer. The Company has obtained the valuation report from a registered valuer who has considered the price at which the preferential offer was made in 2013 as representative of the value of shares issued in the current year, i.e. ₹ 56 per share."

42 During the previous year, the Company has paid remuneration of ₹ 25.38 million to one of its Key Managerial Personnel without obtaining Shareholders' approval by a special resolution as required under Section 197 read along with Schedule V of the Companies Act, 2013. During the year, such payment has been duly approved by the Nomination & Remuneration Committee and the Board of Directors and further, the Company has obtained Shareholder's approval at the Annual General Meeting held on 13 May 2019.

Notes to the Financial Statements

43 Financial instruments - Fair values and risk measurement

The carrying value and fair value of financial instruments by categories are as below:

(INR Million)

Financial assets	Carrying value as at		Fair value as at	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Financial assets measured at fair value through profit and loss				
Derivative financial asset	303.37	93.93	303.37	93.93
Financial assets measured at amortised cost				
Trade receivables	6,595.16	5,292.18	-	-
Cash and cash equivalents	374.99	758.36	-	-
Loans	11.63	6.35	-	-
Other financial assets (Other than derivatives)	387.47	332.72	-	-
Total assets	**7,672.62**	**6,483.54**	**303.37**	**93.93**

(INR Million)

Financial assets	Carrying value as at		Fair value as at	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Financial liabilities measured at fair value through profit and loss				
Derivative financial liabilities	9.33	334.59	9.33	334.59
Financial liabilities measured at amortised cost				
Borrowings	9,883.16	9,054.27	-	-
Trade payables	5,711.49	5,675.33	-	-
Other financial liabilities (Other than derivatives)	5,279.15	1,745.90	-	-
Total liabilities	**20,883.13**	**16,810.09**	**9.33**	**334.59**

The Company has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, loans, other financial assets, borrowings, trade payables and other financial liabilities as their carrying amounts are a reasonable approximation of fair value.

Measurement of fair values

The section explains the judgement and estimates made in determining the fair values of the financial instruments that are:

a) recognised and measured at fair value

b) measured at amortised cost and for which fair values are disclosed in the financial statements."

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

Notes to the Financial Statements

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 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.

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

Valuation technique and significant unobservable inputs

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
Interest rate swaps	The 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 interest rate 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
Forward contracts	The fair value of forward contracts is valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.	Not applicable	Not applicable
Investments	The fair value of investments is based on quoted prices and on market observable inputs.	Not applicable	Not applicable

Financial risk management

The Company's has exposure to the following risks arising from financial instruments:

- credit risk (refer note ii below)

- liquidity risk (refer note iii below)

- market risk (refer note iv below)

(i) Risk management framework

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

Notes to the Financial Statements

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."

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, loans and security deposits.

The carrying amount of financial assets represents the maximum credit exposure.

Trade and other receivables:

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

Expected credit loss (ECL) assessment for customers as at 31 March 2019 and 31 March 2018:

The Company allocates each exposure to a credit risk is grade based on a variety of data that is determined to be predictive of the risk loss (including but not limited to past payment history, cash flow projections and available press information about the customers) and applying experienced credit judgement.

The following table provides information about the exposure to credit risk and the expected credit loss for trade receivables:

	As at 31 March 2019		As at 31 March 2018	
	Carrying amount	**Provision amount**	**Carrying amount**	**Provision amount**
Up to 180 days	6,651.46	56.30	5,976.45	684.27
More than 180 days	894.02	894.02	172.38	172.38
	7,545.48	**950.32**	**6,148.83**	**856.65**

The gross carrying amount of trade receivables is ₹ 7,534.02 million as at 31 March 2019 (31 March 2018: ₹ 6,148.83 million).

Reconciliation of loss allowance: (INR Million)

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Loss allowance in the beginning of the year	856.65	735.57
Changes in allowance	93.67	121.08
Loss allowance at the end of the year	**950.32**	**856.65**

Cash and cash equivalents:

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

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Loans, security deposits and advance to contract bottlers:
Expected credit loss for loans and security deposit is as follows:

(INR Million)

Financial assets for which credit risk has not increased significantly since initial recognition	Period ended	Asset company	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount, net of impairment provision
Loss allowance measured at 12 month expected credit loss	31 March 2019	Loan	11.64	-	-	11.64
		Security deposits	173.16	-	-	173.16
		Advance to contract bottlers	442.98	-	259.77	183.21
Loss allowance measured at 12 month expected credit loss	31 March 2018	Loan	6.35	-	-	6.35
		Security deposits	167.85	-	-	167.85
		Advance to contract bottlers	482.26	-	259.77	222.49

Financial instruments - Fair values and risk measurement (Continued)

(iii) 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.

Exposure to liquidity risk

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities. The amounts are gross and undiscounted contractual cash flow.

(INR Million)

Particulars	Carrying amount	Total	Less than 1 year	1–2 years	2-5 years	More than 5 years
Non derivative financial liabilities						
31 March 2019						
Loans and borrowings	14,390.76	14,390.76	8,508.23	1,867.63	4,014.90	-
Trade payables	5,711.49	5,711.49	5,711.49	-	-	-
Other financial liabilities	209.13	209.13	108.58	-	-	100.55
	20,311.38	**20,311.38**	**14,328.31**	**1,867.63**	**4,014.90**	**100.55**
31 March 2018						
Loans and borrowings	10,029.93	10,029.93	1,275.66	3,593.01	5,161.26	-
Trade payables	5,675.33	5,675.33	5,675.33	-	-	-
Other financial liabilities	348.51	348.51	248.47	-	-	100.04
	16,053.77	**16,053.77**	**7,199.46**	**3,593.01**	**5,161.26**	**100.04**

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(iv) Market risk

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.

Currency 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 respective functional currencies of the Company. The functional currencies of the Company is primarily INR. The currencies in which these transactions are primarily denominated are US dollars, Euros, Great British Pounds and Rand.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

(INR Million)

Particulars	As at 31 March 2019					As at 31 March 2018			
	USD	EUR	GBP	RAND	AUD	USD	EUR	CHF	RAND
Term loan from bank and External commercial borrowings from related party	(9,752.93)	-	-	-	-	(9,582.93)	-	-	-
Trade payables	(46.68)	(94.70)	(1.50)	-	-	(130.09)	(46.76)	-	(2.06)
Capital creditors	(20.25)	(64.09)	-	-	-	(35.12)	(48.37)	(0.68)	0.0542
Payable to related parties	(107.75)	-	-	-	103.87	(10.41)	-	-	-
Trade receivables	74.43	-	-	-	-	4.55	-	-	-
Balances with banks	54.99	-	-	-	-	11.06	8.87	-	-
Net statement of financial position exposure	**(9,798.19)**	**(158.79)**	**(1.50)**	**-**	**103.87**	**(9,742.94)**	**(86.26)**	**(0.68)**	**(2.01)**
Less: Forward exchange contracts	8,569.14	-	-	-	-	9,496.42	-	-	-
Net exposure	**(1,229.05)**	**(158.79)**	**(1.50)**	**-**	**103.87**	**(246.52)**	**(86.26)**	**(0.68)**	**(2.01)**

The following significant exchange rates have been applied:

	Year-end spot rate	
INR	**31 March 2019**	**31 March 2018**
USD 1	69.17	65.04
GBP 1	90.54	91.60
EUR 1	77.71	80.62
RAND 1	-	5.42
AUD 1	49.18	49.89

Sensitivity analysis

The impact of strengthening/weakening of currency on the Company is not material as Company hedges around 99% of the foreign currency exposure.

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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. The Company has entered into interest rate swap to hedge the 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 as follows :

(INR Million)

Particulars	As at 31 March 2019	As at 31 March 2018
Fixed rate instruments:		
Financial assets	12.85	60.98
Financial borrowings	(555.69)	(152.80)
Effect of interest rate swaps	-	-
Fixed rate instruments exposed to interest rate risks	**(542.84)**	**(91.82)**
Variable rate instruments:		
Financial borrowings	(13,835.07)	(9,877.13)
Effect of interest rate swaps	-	-
Variable rate instruments exposed to interest rate risks	**(13,835.07)**	**(9,877.13)**

Sensitivity analysis

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

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	Profit / (loss)		Equity	
	1% increase	1% decrease	1% increase	1% decrease
31 March 2019				
Variable rate instruments	(118.56)	118.56	(118.56)	118.56
31 March 2018				
Variable rate instruments	(109.42)	109.42	(109.42)	109.42
Cash flow sensitivity (net)	**(9.14)**	**9.14**	**(9.14)**	**9.14**

Notes to the Financial Statements

44 The Company's Board of Directors at its meeting held on November 23, 2018 has approved a Scheme of Amalgamation of the Company (the "Transferee Company") with Crown Beers India Private Limited ("Transferor Company") and their respective shareholders and creditors in terms of the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

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 were concluded in June 2019. The Transferor Company is in the process of filing responses to the questionnaires issued by the Regional Director, OL and the Registrar of Companies.

The preliminary hearings with the NCLT Mumbai and the shareholders meetings were concluded in May 2020. The Transferee Company is in the process of filing merger petition before NCLT Mumbai.

45 Expenditure on corporate social responsibility (as per section 135 of the Act)

(a) Gross amount required to be spent by the company during the year ₹ Nil (Previous year ₹ Nil)
(b) Amount spent during the year on corporate social responsibility - ₹ Nil (Previous year ₹ Nil)

		In Cash	Yet to be paid in cash	Total
1.	Construction / acquisition of any asset	-	-	-
2.	On purposes other than (1) above	-	-	-

46 Business Acquisitions:

Acquisition of SPR Distilleries Private Limited

The Company's Board of Directors at its meeting held on August 3, 2018 has approved a Scheme of Amalgamation of the Company (the "Transferee Company") with its wholly owned subsidiary - SPR Distilleries Private Limited ("Transferor Company") and their respective shareholders and creditors in terms of the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. The Company has received the approval from the Regional Director for the amalgamation with an appointed date of April 1, 2018. The scheme is effective from November 29, 2018. In accordance with the requirements of Appendix C of Ind AS 103 Business Combination, the financial statements of the corresponding period in the previous year has been restated as if the amalgamation had occurred from the beginning of the preceding period in the financial statements.

Calculation of Goodwill / Capital reserve arising on acquisition:

Particulars	₹ in Million
Consideration transferred	20.00
Less: Identifiable net assets/ (liabilities) acquired	(0.70)
Excess of the consideration transferred by the Company over the net assets acquired has been debited to Goodwill	20.70

Impact of the above acquisition on the results of the Company pursuant to restatement:

Particulars	For the year ended 31 March 2019 (₹ In Million)
Revenue from operations	-
Other income	(60.57)
Total revenue (A)	**(60.57)**
Finance costs	179.71
Depreciation and amortisation expense	182.37
Other expenses	(1.37)
Total expenses (B)	**360.71**
Profit/(Loss) before tax (C)	**(421.28)**

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47 Share based payments arrangements

Different share and share option programs allow company senior management and members of the board of directors to receive or acquire shares of AB InBev, Belgium, the ultimate holding Company. AB InBev has three primary share-based compensation plans, the share-based compensation plan ("ShareBased Compensation Plan"), the long-term incentive stock option plan for directors ("LTI Stock Option Plan Directors"), and the long-term incentive stock-option plan for executives ("LTI Stock Option Plan Executives"). 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 assumptions about forfeiture before the end of the vesting period cannot impact the fair value of the option. All the company sharebased payment plans are equity-settled.

The expense recognised for employee services received during the year is shown in the following table:

(₹ in million)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Expense arising from equity-settled share-based payment transactions (ESOP)	228.61	114.11
Expense arising from equity-settled share-based payment transactions (RSU)	35.46	3.20
Total expense arising from share-based payment transactions	264.07	117.31

Employee stock option plan:

Grants are made annually at the company's shareholders meeting on a discretionary basis upon recommendation of the Remuneration Committee. The LTI stock options have an exercise price that is set equal to the market price at the time of the granting, a maximum lifetime of 10 years and an exercise period that starts after 5 years. The LTI stock options cliff vest after 5 years. Unvested options are subject to specific forfeiture provisions in the event that the directorship is not renewed upon the expiry of its term or is terminated in the course of its term, both due to a breach of duty by the director.

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 2019		For the year ended 31 March 2018	
	Number	WAEP (USD)	Number	WAEP (USD)
Outstanding at beginning of the year	10,98,221	$99.45	-	$-
Granted during the year	1,11,932	$71.48	10,98,221	$99.46
Forfeited during the year	-	$-	-	$-
Exercised during the year	-	$-	-	$-
Expired during the year	-	$-	-	$-
Outstanding at the end of the year	12,10,153	$96.87	10,98,221	$99.46

The fair value of Employee stock option plan are arrived on grant date of such options based on Binomial Hull option pricing model.

Notes to the Financial Statements

Inputs to the option pricing model for ESOP:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Stock options:		
Expected term	5 years	5 years
Risk-free interest rates	0.38% to 0.69%	0.46%
Expected volatality	23.2%	23.2%
Expected dividend yield	3.0%	3.0%
Weighted average fair value of per share granted	USD 10.69	USD 15.5

Restricted Stock Units:

The Parent company, AB Inbev, Belgium, offers Restricted Strock Unit's (RSU) to certain employees of the Company. Each RSU has service based vesting criteria over a period of five years starting from the date specified in the grant agreement.

The following table illustrates the movements in number of RSU share awards during the year:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Outstanding at beginning of the year	13,365	-
Granted during the year	54,096	13,365
Forfeited during the year	-	-
Exercised during the year	-	-
Outstanding at the end of the year	67,461	13,365

The weighted average remaining contractual life for the RSU outstanding as at 31 March 2019 was 4 years (December 31, 2017: 4.7 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.

Disclosure and correction of prior period errors:

(a) During the previous year, the Company does not have all the required information relating to the options/ shares granted to the employees of the Company and consequently has not accounted for share based payments and not made the disclosures as per Ind AS 102.

(b) During the current year, the Company has obtained necessary workings for the options/ shares granted to the employees of the Company by the Parent. Accordingly, the Company has accounted for liability towards share based payments and made requisite disclosures in line with Ind AS 102- Share based payments. The Company has also obtained necessary workings for the previous year and the liability has been accounted for the previous year by restating the prior period presented. The impact of the liability as on 1 April 2017 is not material.

48 Ind AS 115 - Revenue from contract with customers

On April 1, 2018, the Company has adopted Ind AS 115, "Revenue from Contracts with Customers" using the cumulative catch-up transition method applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. Refer note 2(j) for the accounting policies followed pursuant to adoption of Ind AS 115. Refer Note 2 "Summary of significant accounting policies"" in the Company's financial statements of FY 2017-18 for the policies in effect for revenue prior to April 1, 2018. The effect on adoption of Ind AS 115 was not material.

Notes to the Financial Statements

49 Pursuant to the outbreak of COVID -19 subsequent to the year end, the pandemic is rapidly spreading throughout the world. There have been disruptions to the operations of the Company from March 2020 onwards and the Company has resumed operations in a phased manner from May 2020. The impact of this event will depend on future developments that cannot be predicted reliably at this stage. However, based on the estimates, the Company does not anticipate any major challenge in meeting its financial obligations, on long term basis and does not carry any risk in the recoverability and carrying values of its assets including property, plant and equipment, trade receivable and inventory and does not anticipate any additional liability as at the Balance Sheet date. The Management will continue to closely monitor any material changes to future economic conditions impacting its business.

50 Previous year figures have been regrouped/reclassified wherever necessary.

51 Approval of financial statements

The financial statements were approved for issue by the board of directors on 29 July 2020.

for and on behalf of the Board of Directors of
Anheuser Busch InBev India Limited

sd/-	**sd/-**	**sd/-**	**sd/-**
Gagandeep Sethi	**Ben Verhaert**	**Cherian Kurien**	**Nishi Vijayvargiya**
Director	Director	Chief Financial Officer	Company Secretary
DIN: 07943896	DIN: 08004326	Place: Bangalore	Place: Indore
Place: Bangalore	Place: Seoul	Date: 29 July 2020	Date: 29 July 2020
Date: 29 July 2020	Date: 29 July 2020		

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