



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

ANNUAL REPORT
2022-2023





A FUTURE WITH MORE CHEERS



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General Information for Annual Report 2022-23

Board of Directors

Mr. Kartikeya Sharma, Whole Time Director
Mr. Mahesh Mittal, Whole Time Director
Ms. Sapna Taneja, Independent Director
Ms. Rashmi Sharma, Independent Director
Mr. Shantanu Krishna, Non-Executive Director

Key Managerial Personnel

Ms. Aashtha Sharma, Chief Financial Officer
Ms. Mansi Bajaj, Company Secretary

Registrar and Share Transfer Agent

Link Intime India Pvt. Ltd,
C 101, 247 Park, L.B.S.Marg, Vikhroli (West),
Mumbai - 400083.
Phone: +91 22 49186000 (Extn: 2330) M: +91
8169936150
F: +91 22 49186060

Registered Office

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

Corporate Office

6th Floor, Green Heart Building MFAR Manyata
Tech Park, Phase IV, Nagavara,
Bangalore 560045 IN

Statutory Auditors

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

Stakeholders Relationship Committee

Ms. Rashmi Sharma
Mr. Mahesh Kumar Mittal

Audit Committee

Ms. Sapna Taneja-Chairperson
Ms. Rashmi Sharma
Mr. Mahesh Kumar Mittal

Nomination and Remuneration Committee

Ms. Sapna Taneja-Chairperson
Ms. Rashmi Sharma
Mr. Mahesh Kumar Mittal
Mr. Shantanu Krishna

Corporate Social Responsibility Committee

Ms. Sapna Taneja-Chairperson
Ms. Rashmi Sharma
Mr. Mahesh Kumar Mittal

Notice

NOTICE OF THE THIRTY-FOURTH ANNUAL GENERAL MEETING

Notice is hereby given that the 34th (Thirty Fourth) Annual General Meeting ("AGM") of the members of the Anheuser Busch Inbev India Limited ("the Company") will be held on Thursday, December 12, 2024, 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, 2023, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Mahesh Kumar Mittal (DIN: 09071616), who retires by rotation and being eligible, offer himself for re-appointment.

SPECIAL BUSINESS:

3. **To approve re-appointment of Mr. Kartikeya Sharma (DIN: 07728620) as the Whole-Time Director for a period of Five Years from September 4, 2025 to September 3, 2030 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 Sections 196, 197, 203 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 and based on the recommendation of the Nomination and Remuneration Committee (NRC) and the Board, the approval of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Kartikeya Sharma (DIN: 07728620) as Whole time Director of the Company for a period of five years with effect from September 04, 2025.

RESOLVED FURTHER THAT the following remuneration be paid to Mr. Kartikeya Sharma (DIN: 07728620) for a period 3 years commencing from September 04, 2025 to September 03, 2028 with liberty to the Board of Directors (including Committee) to alter and vary the terms and conditions of the said re-appointment /remuneration in such manner as deemed fit necessary

1. **Salary:** Upto a maximum of Rs. 8,00,00,000/- (Rupees Eight Crore) per annum as may be fixed by the Board of Directors / Nomination and Remuneration Committee from time to time, subject to the approval of the Shareholders including performance bonus as may be

determined by the Board of Directors / Nomination and Remuneration Committee;

2. **Perquisites:** perquisites, allowances, benefits and amenities as per the Service Rules of the Company as applicable from time to time.

"RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of Whole time Director, the Company has made no profits or its profits are inadequate, the Company shall pay to the Whole time Director, the above salary and perquisites, subject to the approval of Shareholders passed by the way of Ordinary or Special resolution, as applicable in the Meeting of Shareholders of the Company.

RESOLVED FURTHER THAT Mr. Kartikeya Sharma (DIN: 07728620) be entrusted with such powers and perform such duties as may from time to time be delegated / entrusted to him subject to the supervision and control of the Board.

4. **To approve and ratify payment of remuneration beyond the limits prescribed under the Companies Act, 2013 and waiver of recovery of the amount of excess remuneration paid to Mr. Kartikeya Sharma (DIN: 07728620), Whole-Time Director for FY 2023-24.**

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

"RESOLVED THAT pursuant to the provisions of Section(s) 196, 197, 198 and any other applicable provisions of the Companies Act, 2013 read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or amendment(s) or re-enactment thereof, for the time being in force) and as per the recommendations of the Board of Directors and Nomination and Remuneration Committee and the Articles of Association of the Company and to the extent necessary and such other approvals, permissions and sanctions as may be required, the members of the Company be and hereby approve and ratify the total remuneration paid to Mr. Kartikeya Sharma, Whole Time Director (DIN: 07728620) of the Company for the Financial Year 2023-24 amounting to INR 59.07 Million as minimum remuneration in case the Company has no profits or the profits of the Company are inadequate notwithstanding that such remuneration may exceed the limits specified under Section 197 and Schedule V of the Companies Act, 2013 and that such remuneration

Notice (Contd.)

was in excess of the limits prescribed under Section 197, 198 read with Schedule V of the Act and approve waiver of recovery of excess managerial remuneration amounting to INR 46.27 million paid during Financial Year 2023-24 to Mr. Kartikeya Sharma, Whole Time Director of the Company (DIN:07728620).

RESOLVED FURTHER THAT all other existing terms and conditions of appointment of Mr. Kartikeya Sharma shall remain unchanged unless otherwise modified by the Nomination and Remuneration Committee or the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors or the Company Secretary of the Company be and are hereby authorized to sign and file all the relevant applications, forms, returns, other documents, etc. with the concerned Registrar of Companies/ Ministry of Corporate Affairs and to do all other acts, deeds, matters and things which are necessary for the purpose of giving effect to the aforesaid resolution.”

5. To approve and ratify payment of remuneration beyond the limits prescribed under the Companies Act, 2013 and waiver of recovery of the amount of excess remuneration paid to Mr. Mahesh Kumar Mittal (DIN: 09071616), Whole-Time Director for FY 2023-24.

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

“**RESOLVED THAT** pursuant to the provisions of Section(s) 196, 197, 198 and any other applicable provisions of the Companies Act, 2013 read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or amendment(s) or re-enactment thereof, for the time being in force) and as per the recommendations of the Board of Directors and Nomination and Remuneration Committee and the Articles of Association of the Company and to the extent necessary and such other approvals, permissions and

sanctions as may be required, the members of the Company be and hereby approve and ratify the total remuneration paid to Mr. Mahesh Kumar Mittal (DIN: 09071616) Whole Time Director of the Company for the Financial Year 2023-24 amounting to INR 19.57 Million as minimum remuneration in case the Company has no profits or the profits of the Company are inadequate notwithstanding that such remuneration may exceed the limits specified under Section 197 and Schedule V of the Companies Act, 2013 and that such remuneration was in excess of the limits prescribed under Section 197, 198 read with Schedule V of the Act and approve waiver of recovery of excess managerial remuneration amounting to INR 6.77 million paid during Financial Year 2023-24 to Mr. Mahesh Kumar Mittal (DIN: 09071616) Whole Time Director of the Company.

RESOLVED FURTHER THAT all other existing terms and conditions of appointment of Mr. Mahesh Kumar Mittal shall remain unchanged unless otherwise modified by the Nomination and Remuneration Committee or the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors, except Mr. Mahesh Kumar Mittal, or the Company Secretary of the Company be and are 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**

**Mahesh Kumar Mittal
Whole Time Director
DIN: 09071616**

**Date: November 16, 2024
Place: Bengaluru, India**

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Notes:

1. 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, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular no. 02/2021 dated January 13, 2021, General Circular No. 19/2021 dated December 8, 2021, General Circular No. 21/2021 dated December 14, 2021 and General Circular No. 02/2022 dated May 05, 2022, General Circular No. 10/2022 dated December 28, 2022, 09/2023 dated 25th September 2023 and 09/2024 dated September 19, 2024 (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 34th (Thirty Fourth) AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM will be Registered Office of the Company.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('Act') setting out material facts concerning the business under Item Nos. 3, 4 and 5 set out above is annexed hereto. The details pursuant to Paragraph 1.2.5 of the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India for Directors seeking appointment/re-appointment at the AGM, forms part of this Notice.
3. 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.
4. 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 Thursday, December 12, 2024, at 12:00 Noon (IST) onwards.
5. 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.
6. 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.
7. As this AGM will be held through VC/ OAVM, the route map of the venue of the meeting is not annexed to this notice.
8. In compliance with the MCA Circulars, notice of the AGM along with the Annual Report 2022-23 are being sent only through electronic mode to those members whose email addresses are registered with the RTA/ Depositories. Members may note that this notice and Annual Report 2022-23 will also be available on the website of NSDL (agency for providing e-Voting facility) at www.evoting.nsdl.com.
9. 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"), Link Intime 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 rnt.helpdesk@linkintime.co.in.
 - (b) Members holding shares in dematerialized mode are requested to register / update their email addresses with the relevant Depository through their Depository Participant(s).
10. 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

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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.

11. All queries relating to non-receipt of share certificates after transmission/ dematerialization/ re-materialization, mandates, change of address, nomination etc. may be sent to the Company's RTA, Link Intime India Private Limited having its office at C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra at their e-mail: rnt.helpdesk@linkintime.co.in.
12. 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, Link Intime India Private Limited having its office at C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra at their e-mail: rnt.helpdesk@linkintime.co.in.
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. During the 34th AGM, Members may access the electronic copy of the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, by sending an email to Kartikeya.rawal@in.ab-inbev.com.
15. 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 Monday, December 9, 2024 at 9:00 a.m. (IST) and ends on Wednesday, December 11, 2024 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 Thursday, December 5, 2024 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.

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

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

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- (iv) Now you are ready for e-Voting as the Voting page opens.
 - (v) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
 - (vi) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (vii) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 - (viii) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- B. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:
- (i) In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to rnt.helpdesk@linkintime.co.in.
 - (ii) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to rnt.helpdesk@linkintime.co.in.
- 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 Ms Rimpa Bag, Assistant Manager, NSDL at evoting@nsdl.co.in for any further clarifications.
- VII. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The instructions for members for e-voting on the day of the AGM are as under:
- (i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
 - (ii) Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
 - (iii) Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
 - (iv) The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.
- X. The voting rights of members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date that is Thursday, December 5, 2024.
- 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 Thursday, December 5, 2024, 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 rnt.helpdesk@linkintime.co.in.
- 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.

Notice (Contd.)

- 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 Friday, December 13, 2024 and will also be displayed on the website of the NSDL (<https://www.nsdl.co.in>), besides being communicated to the Depositories and RTA.
16. All documents referred to in the accompanying notice and the explanatory statement shall be available for inspection electronically through a link present in NSDL e-services portal.
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 Kartikeya.rawal@in.ab-inbev.com to receive an email response.

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, 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 Kartikeya.rawal@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 Nos. 3.4 and 5

It is informed that Mr. Kartikeya Sharma was appointed as Whole-time Director of the Company for a period of 5 years with effect from September 04, 2020 by means of a special resolution passed by the members of the Company at the 30th Annual General Meeting of the Company.

The Members may be informed that the current tenure of Mr. Kartikeya Sharma as Whole time Director shall expire on 3rd September, 2025 and pursuant to first proviso of sub-section (2) of Section 196 of Companies Act, 2013, no re-appointment shall be made earlier than one year before the expiry of the term of the Whole Time Director.

Since, less than one year is left in expiry of his tenure and the Nomination and Remuneration Committee along with the Board of Directors of the Company considers it prudent and therefore, recommend to the members, his re-appointment for a further period of five years.

It is informed further that the Board at its meeting held on September 30, 2024 and the Nomination and Remuneration Committee of the Company at their meeting held on September 30, 2024 have amongst other things, approved and recommended the members to approve the re-appointment of Mr. Kartikeya Sharma (DIN: 07728620) as the Whole-Time Director for a period of Five Years from September 4, 2025 to September 3, 2030 and the Payment of remuneration to him, by way of special resolution, in accordance with the applicable provisions of the Companies Act, 2013.

Further, the members may be informed that the Company had inadequate profits and the managerial remuneration paid to Mr. Kartikeya Sharma and Mr. Mahesh Kumar Mittal, Whole Time Directors of the Company for the Financial Year 2023-24 exceeded the limits prescribed under section 197, 198 read with schedule V of the Act.

Notice (Contd.)

Pursuant to Section 197(10) of the Act, the members of the Company can waive the recovery of excess remuneration by passing a special resolution.

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

The Board, on the recommendation of the Nomination and Remuneration Committee at their respective meetings, have ratified excess remuneration paid to both Whole time Directors for FY 2023-24 subject to the approval of the members of the Company. The details regarding prescribed limits and remuneration paid is as under:

Name	Effective Capital as of 31st March 2020 (In INR Million)	Prescribed Limit under Schedule V of Companies Act, 2013 (INR Million)	Amount of Remuneration paid during FY 2023-24 (INR Million)	Excess amount Paid during FY 2021-22 (INR million)
Mr. Kartikeya Sharma	10,504	12.80	59.07	46.27
Mr. Mahesh Kumar Mittal	10,504	12.80	19.57	6.77

Further, pursuant to Section 197 and any other applicable provisions of Companies Act, 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 Companies Act, 2013 read along with the rules framed there under 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 has been incorporated on November 18, 1988 and has already commenced its commercial production.			
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.			
4	Financial performance based on given indicators (during three years preceding to Financial Year to which remuneration relates)	Particulars	Standalone (In INRMillion)		
			FY 2020-21	FY 2021-22	FY 2022-23
		Total income	28,520	36,941	62,288
		Total operating expenses	35,573	40,594	66,677
		Earnings before interest, tax, depreciation and amortization (EBITDA)	(3,909)	(1,205)	(2,513)
		Less: Depreciation and Amortization Expenses and Finance expenses	3,144	2,258	1,876
		Profit / (Loss) before taxation	(7,053)	(3,653)	(4,389)
		Tax expense:			
		(a) Current tax	-	-	-
		(b) Pertaining to earlier years	-	-	-
Profit / (Loss) after tax	(7,053)	(3,653)	(4,389)		

Notice (Contd.)

5	Foreign investments or collaborations, if any.	<i>The table below provides details of foreign investment (Investment in Equity Shares) in the Company (as on date):</i>		
		Name of the foreign investor	No. of Equity Shares	% of shares held
		AB Inbev Asia B.V.	777,338,105	83.73
		Anheuser-Busch InBev Breweries Private Limited	142,076,253	15.30
		SAB India Holdings	5,590,817	0.60
		Austindia Pty Limited	1,651,174	0.18

INFORMATION ABOUT THE APPOINTEE

6	Background details	Mr. Kartikeya Sharma has a long association of over 18 years with the Company. He has a deep understanding of the consumer coupled with the dynamics of the industry and commercial acumen.	Mr. Mahesh Kumar Mittal has diverse management and operations experience within Plant operations, Safety, Environment, Quality, Facility Engineering, projects and Maintenance disciplines, and lean methodology implementation. He heads the Supply function for AB InBev in India and South East Asia, and he has been with the company for over 18 years. With over 27 years of experience, he has previously worked with leading companies, including J.K Paper and PepsiCo, involving exposure to various factory operations streams. His role at AB InBev has enabled him to spearhead many innovative projects, programs and initiatives that propelled the company's business in India and South-East Asia.																								
7	Past remuneration (in Rs.)	<table border="1"> <thead> <tr> <th>S.No.</th> <th>Financial Year</th> <th>Remuneration Paid (INR Million)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>2021-22</td> <td>34.28</td> </tr> <tr> <td>2</td> <td>2022-23</td> <td>33.18</td> </tr> <tr> <td>3</td> <td>FY 23-24</td> <td>59.07</td> </tr> </tbody> </table>	S.No.	Financial Year	Remuneration Paid (INR Million)	1	2021-22	34.28	2	2022-23	33.18	3	FY 23-24	59.07	<table border="1"> <thead> <tr> <th>S.No.</th> <th>Financial Year</th> <th>Remuneration Paid (INR Million)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>2021-22</td> <td>15.64</td> </tr> <tr> <td>2</td> <td>2022-23</td> <td>17.74</td> </tr> <tr> <td>3</td> <td>FY 23-24</td> <td>19.57</td> </tr> </tbody> </table>	S.No.	Financial Year	Remuneration Paid (INR Million)	1	2021-22	15.64	2	2022-23	17.74	3	FY 23-24	19.57
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1	2021-22	15.64																									
2	2022-23	17.74																									
3	FY 23-24	19.57																									
8	Recognition or awards	NIL	NIL																								
9	Job profile and his suitability	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.	Mr. Mahesh Kumar Mittal as Whole Time Director will be 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.																								

Notice (Contd.)

10	Remuneration proposed	Up to INR 8 Crores per annum for the period commencing from September 04, 2025 to September 03, 2028. The Company is also seeking waiver of remuneration paid in excess of limits as per section 197 read with schedule V of Companies Act 2013.	The Company is seeking waiver of remuneration paid in excess of limits as per Section 197 read with schedule V of Companies act, 2013.
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	Mr. Mahesh Kumar Mittal 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

1	Reasons of loss or inadequate profits	The company incurred losses due to huge operational cost.
2	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.
3	Expected increase in productivity and profits in measurable terms	The Company does not give futuristic financial guidance.

Except Mr. Kartikeya Sharma and Mr. Mahesh Kumar Mittal, or their relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolutions set out at Item No. 3, 4 and 5.

The Board of Directors recommends the resolution, as set out in Item Nos. 3,4 and 5 for approval of the Members by way of a Special Resolution.

Notice (Contd.)

Annexure

Details of the Director seeking appointment/re-appointment at the Annual General Meeting

[Pursuant to Paragraph 1.2.5 of Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India]

Name of the Director	Mr. Kartikeya Sharma	Mr. Mahesh Kumar Mittal
Directors Identification Number (DIN)	07728620	09071616
Date of Birth	July 30, 1981	July 16, 1970
Age	43 Years	54 Years
Date of Appointment	September 04, 2020	February 25, 2021
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None	None
Expertise in specific functional area	Marketing and Business Development	Product Sourcing and Supply Chain Logistics
Qualification(s)	Bachelors in Economics Masters Marketing from IIM-Lucknow MBA from Harvard Business School	BE (Mechanical), BEE (Certified energy auditor)
Number of equity shares held in the Company as at March 31, 2024	NIL	NIL
Other Directorships, Membership/ Chairmanship of Committees of other public limited companies, if any, as on March 31, 2024	NIL	NIL
Justification for choosing the appointee(s) for appointment as Independent Directors	Not Applicable	Not Applicable
Terms and conditions of appointment along with details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable	As proposed in the paragraphs above The details of past remuneration paid to Mr. Kartikeya Sharma has been provided in the table above.	There shall be no change in the terms and conditions of his appointment or the remuneration payable. The details of past remuneration paid to Mr. Mahesh Kumar Mittal has been provided in the table above.
No. of Meetings of the Board attended during the Year	During the current Financial Year, two Meetings of the Board was held so far out of which, he could not attend any.	During the current Financial Year, two Meetings of the Board was held so far out of which, he attended one.

By order of the Board
Anheuser Busch Inbev India Limited

Mahesh Kumar Mittal
Whole Time Director
DIN: 09071616

Date: November 16, 2024
Place: Bengaluru, India

Report of Board of Directors

Director's report for the year ended 31 March 2023

Dear Members,

Your Company's directors have pleasure in presenting their 34th Annual Report on the business performance and operations of the company together with the Audited Statement of Accounts of Anheuser Busch InBev India Limited ("the Company") for the financial year ended 31st March 2023 ("the year under review", "the year" or "FY23").

Financial Highlights

During the year under review, financial performance of your company was as under:

Particulars	(All amounts in INR Millions)	
	FY 2022-23	FY 2021-22
Revenue from operations	61,774	36,081
Profit/(Loss) before taxation	(4,389)	(3,653)
Provision for taxation	-	-
Other comprehensive income	5	(7)
Total comprehensive income (Loss) for the year	(4,384)	(3,660)

State of Company's Affairs and Future Outlook

We are pleased to announce a notable upsurge of ~71% in its turnover with a concurrent and sustained expansion in market share when compared to the preceding fiscal year. Moreover, the total expenditure also grew by ~64% and Net Losses for the year increased by ~20% over the previous year.

In alignment with our overarching objectives, we remain committed to fostering profitable volume growth. Concurrently, we are deploying rigorously conceived cost control strategies to optimize operational efficiency.

Change in nature of business, if any

There were no changes to the nature of business of the Company during the year under review.

However, Subsequent to the end of the period under review, the Company with the approval of the Members in the 32nd Annual General Meeting held on September 18, 2023, had further diversified its business into opening, operating and partnering restaurants, bars, hotels, pubs and conducting, sponsoring, organizing events and experiences. It also entered into the business of seed manufacturing and dealing in seeds.

Dividend

Owing to unavailability of distributable profits for Financial Year 2022-23, the directors are not recommending any dividend.

Amounts transferred to Reserves

Owing to unavailability of distributable profits for Financial Year 2022-23, the directors are not recommending any dividend.

Changes in Share Capital

As on March 31, 2023, the Company has only One Class of Share, that is, Equity Shares having Face Value of Rs. 10 each. The Capital structure of the Company as on 31st March 2023 stood as follows:

Particulars	Amount (in Rs.)	No. of Equity Shares
Authorized Share Capital	15,00,00,00,000	150,00,00,000
Issued Share Capital	9,28,42,28,030	92,84,22,803
Paid-up Share Capital	9,28,42,28,030	92,84,22,803

There have been no events or transactions that have altered the authorized capital during the year.

Further, during the year, the issued, subscribed and paid-up share capital of the Company was increased by allotment of 3,10,26,843 Equity Shares of INR 10/- each at a premium of INR 56 per share on private placement cum preferential allotment basis to AB InBev Asia BV, the Holding Company.

Extract of Annual Return

Pursuant to Section 92(3) and Section 134(3) (a) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Company is required to place a copy of the Annual Return as at March 31, 2023 on its website, if any. However, the Company does not maintain its website and therefore, the weblink is not being provided here.

Number of Board Meetings

During the Financial Year 2022-23, there were five meetings of the Board of Directors of the company which were held. The details of which are given below –

Report of Board of Directors (Contd.)

- May 13, 2022
- July 25, 2022
- September 29, 2022
- January 02, 2023
- March 15, 2023

Particulars of Loan, Guarantees and Investments under Section 186

The details of inter-corporate loans under Section 186 are given in Note 36 of the Audited Financial Statements for FY 2022-23.

Consequent to the approval from the Board of Directors in its meeting held on 13 May 2022, the Company has acquired 15,000,000 8% Non-cumulative Redeemable Preference Shares of INR 10 each of Skol Beer Manufacturing Company Limited ("SBMC"), a fellow subsidiary from Anheuser Busch InBev Breweries Private Limited ("ABIBPL"), a fellow subsidiary, for an aggregate consideration of INR 1 Lac in the month of September 2022 also refer note 5 of the Audited financial statements for FY 2022-23.

Particulars of Contracts or Arrangements with Related Parties

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act 2013 for the Financial Year 2022-23 in the prescribed format, AOC 2 has been enclosed with the report as **Annexure 3**.

Explanation to Auditor's Remarks

As required under section 134 of the Companies Act, 2013, the explanation of the Board, to the qualification, reservation, adverse remark or disclaimer made by the statutory auditor in his report and/or by the secretarial auditor in the Secretarial Audit Report are as follows:

S.No	Statutory Auditor's Remark	Management response
Qualified Opinion		
1	Non-compliance with Sections 96(1) and 134(2) of the Act as the audited financial statements for the years ended March 31, 2018, March 31, 2019, March 31, 2020, March 31, 2021, March 31, 2022 and March 31, 2023 were not laid in the Annual General Meetings (AGMs) of the respective years within the stipulated time prescribed in the Act.	As a result of the COVID-19 outbreak, the Company experienced major changes and commitments, which resulted in delays in conducting the statutory audit for the year and subsequent holding of meetings of board, shareholders, financial statement adoptions and filing of Annual Returns & Annual Audited Financial Statements with MCA within the stipulated time as per the Companies Act 2013. The Company will file for adjudication of offence under mentioned sections after the default for subsequent years has also been made good.
2	Non-availability of the supplier's information which are covered under the provisions of MSME act 2006. In the absence of the adequate evidence, auditors are unable to conclude on the completeness and accuracy of the interest recognized as payable to such parties under Section 16 of the MSMED Act and required disclosures under Section 22 of the MSMED Act.	The Company is working on a plan of action for remediation. This would include reaching out to all MSME vendors for confirmation.

Also, the details of Related Party Transactions entered into by the Company during the year are given in Note 34 of the Audited Financial Statements for FY 2022-23.

Secretarial Audit Report

Pursuant to the provisions of Section 204(1) of the Companies Act, 2013, the Secretarial Audit Report of M/s. Parikh & Associates, Practicing Company Secretaries for FY 22-23 is annexed to this report.

The Secretarial Audit Report contains few qualifications and reservations on the report and the response of the Management on those qualifications, as statutorily required to be disclosed for each qualification in the report of Board of Directors, have also been covered in the following paragraphs and are not being disclosed here to prevent repetition.

Statutory Auditors

M/s. Price Waterhouse & Co Chartered Accountants LLP (Firm registration no. 304026E/E-300009) was appointed as Statutory Auditors of the Company at the Annual General Meeting held on September 30, 2020 for a period of five years i.e., to hold office till the conclusion of 35th Annual General Meeting i.e. up to the financial year ending March 31, 2024, as required under Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014.

Report of Board of Directors (Contd.)

Emphasis of Matter (“EOM”)		
3.	The Company granted a Loan amounting to INR 145 million to a related party during the financial year ended March 31, 2020, which has been ascertained to be non-recoverable by the Company considering the inability of the related party to repay the loan, against which a provision was recognised during the year ended March 31, 2021 and which has been written off during the current financial year.	This is a one-time unsecured loan provided to related party based on business needs and group requirements. Subsequent to the year end the Company has done the requisite filings with the appropriate authorities and awaiting further response.
4.	Non-compliance with Sections 177 and 178 of the Act and Schedule IV to the Act regarding composition of Audit Committee and Nomination and Remuneration Committee of the Board, and Section 152 read with Section 172 of the Act regarding retirement of directors by rotation at every AGM, and the subsequent action taken by the Company for regularisation of the non-compliances	The Company has submitted compounding application in respect of said offences and the order in respect of the same is awaited.
5.	Non-Compliance with respect to the constitution of the Nomination and Remuneration Committee of the Board as per requirements of Section 178 of the Act read with Rule 6 of the Companies (Meetings of Board and its powers) Rules, 2014.	The composition of Nomination and Remuneration Committee of the Board was regularized as per requirements of Section 178 of the Act with effect from 31 st January 2022 and the Company had applied for compounding of the said contravention. The Company has also received the order and the said contravention stands compounded as on the date of this report.
6.	Non-compliance of Section 196 read with Schedule V of the Act relating to the appointment of a non-resident as the Whole-time director during the period from November 27, 2017 to September 4, 2020 without obtaining prior approval from the Central Government.	The Company has submitted compounding application in respect of said offence and the order in respect of the same is awaited.
Other Reporting Matters		
7.	The backup of books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis on servers physically located in India during the period August 11, 2022, to March 31, 2023,	The Company currently performs daily backups of both FlowCentric and Syspro, which are the primary systems used for maintaining the Company's books of accounts. However, a log of these backups are not available. Additionally, there is a separate cloud-based drive where important schedules, such as the Fixed Asset Register (FAR), payroll register, lease details and other Key financial documents, are stored. This cloud-based storage is not included in the regular backup process, as cloud storage services typically provide built-in redundancy and data protection.
8.	The Company's internal audit system is not commensurate with the size and nature of its business.	The recommendation has been considered and noted. The focus will be on covering all key significant areas and IFC.
9.	The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act, except in respect of transactions amounting to Rs. 2,088 million, which are not approved/ are in excess of the limits approved by the Audit Committee of the Board of Directors as required under Section 177 of the Act.	The transactions are in the ordinary course of business and at arm's length price. Hence, by the virtue of fourth proviso of section 188(1), there is no non-compliance of the Sections 177 and 188 of the Companies Act, 2013.

Report of Board of Directors (Contd.)

Disclaimer of Opinion		
10.	Auditors are unable to obtain sufficient and appropriate evidence to provide a basis for the opinion on whether the company had adequate internal financial controls with reference to the financial statements and whether such Internal financial controls were operating effectively as at March 31, 2023.	The Company proposes to share Internal Financial Controls (IFC) framework of key areas highlighted by auditors with the Auditors to share feedback on the same. After this, sample testing will be carried out by the auditors. The plan is to move from 'Disclaimer' to 'Qualified' opinion in FY 23-24.
By Secretarial Auditors		
1.	Provisions of Section 96, 129, 134, 137 and the rules made thereunder in respect of approval of audited financial statements, Boards' Report and convening of Annual General Meeting for the financial year ended 31 st March 2022 and there is a gap of more than fifteen months between two AGM's (i.e. AGM held for FY 2019-2020 held on 27.04.2022 and AGM for FY 2020-2021 held on 18.09.2023).	As a result of the COVID-19 outbreak, the Company experienced major changes and commitments, which resulted in delays in conducting the statutory audit for the year and subsequent holding of meetings of board, shareholders, financial statement adoptions and filing of Annual Returns & Annual Audited Financial Statements with MCA within the stipulated time as per the Companies Act 2013. The Company will file for adjudication of offence under mentioned sections after the default for subsequent years has also been made good.
2.	Standards issued by The Institute of Company Secretaries of India with respect to board meetings.	The Management had duly complied with the Secretarial Standards issued by the Institute of Company Secretaries of India. However, we don't have documentary evidence regarding the same. Subsequent to the year end the Company has filed the Compounding application with the appropriate authorities and awaiting further response.

This Report is enclosed with the Financial Statements forming part of this Annual Report.

Further, the auditors have not reported any fraud u/s 143(12) of the Act. No frauds have been reported to Audit Committee / Board during the year.

Material Changes Affecting the Financial Position of the Company

There following material changes that may affect the Financial Position of the Company took place since the closure of FY 2022-23 and the date of approval of this report:

- The Company has filed suo-moto applications for compounding / adjudication of penalty for offence committed under Sections 118, 149, 152, 177, 178, 196 and Schedule IV of the Companies Act, 2013 in previous years. The adjudicating authority has imposed a penalty of INR 2 lakhs and INR 1.5 Lakhs on the Company duly compounding the contraventions under Sections 149 and 178 of the Companies Act, 2013 respectively. The Company is yet to receive the order of adjudicating authority in respect of other applications.
- Owing to Company's investment into Preference Shares of Skol Beers Manufacturing Company Limited ("SBMC") and liquidation of SBMC, the Company acquired 9,510 Equity Shares of Rs. 100/- each in 'MBL Breweries Limited' (MBL) from SBMC (out of which 5 will be held by the nominees of the Company). Pursuant to this transaction, MBL Breweries Limited has become a subsidiary of the Company.
- The Company has increased the issued, subscribed and paid-up share capital of the Company by allotment of 8,80,08,892 Equity Shares of INR 10/- each on private placement basis to AB InBev Asia BV, the Holding Company on September 06, 2024.
- During the prior year, the Company had entered into agreements to sell its breweries SICA (Puducherry), Malabar (Kerala) and East Coast Breweries (Odisha) to KALS Breweries Private Limited. The aforementioned sale was executed during the FY 2022-23.

Report of Board of Directors (Contd.)

Secretarial Standards

The Company is striving to comply with Secretarial Standards issued by the Institute of Company Secretaries of India with respect to the Board Meetings and has put in place appropriate mechanism for the same from FY 2023-24. Further, the Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India with respect to the General Meetings during the year under review.

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

The details of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo are as under:

a) Conservation of Energy:

(i) the steps taken for conservation:	<ol style="list-style-type: none"> 1. Consistent focus on building team capabilities by relevant training & ZTE program on Energy conservation & Efficiencies. 2. Implementation of Good Operating practices in the manufacturing units to enhance the efficiency & performance of equipment. 3. In BU India, we have installed Energy saving fans across in all the breweries at Evaporative condensers & Cooling towers to save the associated Energy by 20%, along with this the replacement of old conventional Low efficiency motors with high efficiency motors to give additional reduction in electricity consumption by 4%. 4. Initiated Quarterly Energy Efficiency champions contest to enhance the thinking process of our team to bring the out of the box ideas to reduce the Energy consumptions. 5. Monthly theme-based leakage audits in the manufacturing units for different Utility commodities like Air & steam to eliminate the losses.
(ii) the steps taken by the company for utilising alternate sources of energy;	Company is continuously working to enhance the renewable Energy percentage in India & in the same direction we have installed an 178kWp solar plant in Aurangabad Brewery & planning similar capacity at Fosters Brewery.
(ii) the steps taken by the company for utilising alternate sources of energy;	To reduce our carbon footprint, we continuously making the right investment in our manufacturing premises. Additionally, we invested around 1.2M\$ to bring down energy consumptions.

b) Technology Absorption:

(i) Efforts made for technology absorption	Strategic initiatives & implementation of different technological interventions via CapEx to enhance the processes & making them energy efficient. For example, SOPT installation in steam system to improve Condensate recovery, Vapor absorption systems for chilled water generation to shift the Electrical energy to thermal energy & Optimized Boiling methodologies to reduce Energy consumption in Brewing, Base load reduction, Dynamic load management with Variable Speed Drives on refrigeration & Air Compressors. Use of co-products like Biogas at our boilers to reduce the fuel consumption.
(ii) Benefits derived	Major Benefits have been observed in People capabilities & massive reduction in Energy consumption YOY.
(iii) Expenditure on Research & Development, if any	The Company has not incurred any expenditure on Research and Development.
(iv) Details of technology imported, if any	NA
(v) Year of import	NA
(vi) Whether imported technology fully absorbed	NA
(v) Areas where absorption of imported technology has not taken place, if any	NA

Report of Board of Directors (Contd.)

c) Foreign Exchange Earnings/Outgo:

(i) Earnings	USD 10,163,332.15	
(ii) Outgo	EUR	708540.85
	USD	5373600.66
	CNY	16375289.08
	EUR	2411368.81
	GBP	234261
	KRW	319815087
	SGD	118367
	USD	45407917.74
	ZAR	1938233.64

Details of Subsidiary, Joint Venture or Associates

The Company does not have subsidiaries, Joint Ventures or Associates during the year.

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

Details of Directors and Key Managerial Personnel

The Board of Directors was constituted of the below Directors as on March 31, 2023 –

DIN	Full Name	Designation	Date of Appointment
07032173	Sapna Taneja	Independent Director	14/11/2017
09071616	Mahesh Kumar Mittal	Whole Time Director	25/02/2021
07728620	Kartikeya Sharma	Whole time Director	04/09/2020
08746775	Rashmi Sharma	Independent Director	29/07/2020
07486453	Shantanu Krishna	Non-Executive Director	15/03/2023

The following Key Managerial Personnel held office as on March 31, 2023 –

Full Name	Designation	Date of Appointment
Aastha Sharma	CFO	31/01/2022
Mansi Bajaj	Company Secretary	29/03/2023

Changes in the composition of the Board or Key Managerial Personnel

In order to stay compliant with the composition rules, the Board had appointed Mr. Aditya Jalan as the Additional Director (Non-Executive) with effect from January 31, 2022, and subsequently, at the Annual General Meeting held on April 27, 2022, his appointment was regularised to Non-Executive Director.

However, Mr. Aditya Jalan had stepped down as the Director of the Company on December 30, 2022. In order to stay compliant with the composition rules, the Board had appointed Mr. Shantanu Krishna as the Additional Director (Non-Executive) with effect from March 15, 2023 and his appointment was regularised in the 32nd Annual General Meeting of the Company held on 18th September, 2023.

Report of Board of Directors (Contd.)

With respect to the Key Managerial Personnel, during the year, Ms. Aishwarya Satish resigned from the position of Company Secretary wef September 30, 2022, and the Company had appointed Ms. Mansi Bajaj as the Company Secretary with effect from March 29, 2023.

Further, Mr. Mahesh Kumar Mittal retires by rotation and, being eligible, offers himself for re-appointment at the ensuing Annual General Meeting of the Company.

There has been no change to the composition of the Board or among its Key Managerial Personnel from the closure of FY23 till date.

Details of significant & material orders passed by the regulators or courts or tribunal

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.

Voluntary Revision of Financial Statements or Board's Report

The Company has not undertaken any voluntary revisions of its Financial Statements or Board's report in respect of any of the 3 preceding financial years. Hence, this Section is not applicable to the Company for this Financial Year.

Statement in Respect of Adequacy of Internal Financial Control with Reference to the Financial Statements

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

Deposits

During the year, the Company has not accepted any deposits as per Section 73 of Companies Act, 2013 and as defined in the Companies (Acceptance of Deposits) Rules, 2014.

Receipt of any commission by WTD from the Company or for receipt of commission/remuneration from it Holding or subsidiary

During the year, none of the Whole Time Directors of the Company have neither received any commission from the Company nor have they received any commission/remuneration from the Holding Company.

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 by the Board. The Independent Directors are not disqualified from continuing office as Independent Directors.

Further, during the year, no Independent Director was re-appointed by the Company.

Corporate Social Responsibility

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

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

The Board also has approved a Corporate Social Responsibility Policy in terms of Section 135 of the Act.

As per the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder, the annual report on CSR activities and initiatives of the Company for the FY 2023-2024 is enclosed as **Annexure - 1**.

Audit Committee

The composition of the Audit Committee as on 31st March 2023 is as below:

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

The Terms of reference of the Audit Committee is enclosed as **Annexure 2** of this report.

During the year under review, all the recommendations of the Audit Committee were accepted and approved by the Board.

Nomination & Remuneration Committee

The Nomination and Remuneration Committee is constituted to act in accordance with the terms of reference and perform roles, as prescribed under the Act. The Company carries out periodic reviews of comparable Companies and through commissioned survey ascertains the remuneration level prevailing in these Companies. The Company's Remuneration Policy is designed to ensure that the remuneration applicable to Managers in the Company is comparable with multinational Companies operating in Brewing or similar industry in India.

Report of Board of Directors (Contd.)

The Terms of reference of the Nomination and Remuneration Committee is enclosed as **Annexure 2** of this report.

The members of this Committee, as on date are as follows –

Name	Designation
Ms. Sapna Taneja	Independent Director (Chairperson)
Ms. Rashmi Sharma	Independent Director
Mr. Shantanu Krishna	Non-Executive Director

The Company's Remuneration Policy is designed to ensure that the remuneration payable to the Directors, Key Managerial Personnel and Senior Management in the Company is comparable with multinational Companies operating in Brewing or similar industry in India. In line with statutory requirements of the Act, the Board of Directors has adopted a Remuneration Policy for Directors, and Key Managerial Personnel (KMP) of the Company. The Remuneration Policy lays down the criteria for the appointment and removal of Directors and KMP. The Policy also prescribes the criteria and manners for fixation and approval of remuneration payable to Directors and KMP. No changes have taken place in the remuneration policy during the year.

Statement Indicating the Manner in which Formal Annual Evaluation has been made by the Board of its own Performance, its directors, and that of its committees

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.

Disclosure on Establishment of a 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.

During the year, none of the whistle blower matters that were reported had significant financial impact and were appropriately dealt with by the Management and the Audit Committee.

None of the Employees and Directors have been denied access to the Chairman of the Audit Committee.

Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

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

- No. of complaints received – 01
- No. of complaints disposed off – 0
- No. of cases pending for more than 90 days – 01

Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year along with their status as at the end of the financial year.

No such application has been made by the Company during the year.

Details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof

The aforesaid clause is not applicable to the Company during the period under review.

Particulars of Employees

The statement pursuant to Section 134 (3) of the Companies Act, 2013 read with Rule 5 (1, 2 & 3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("Rules"), pertaining to the remuneration of employees of the Company, is not applicable to the Company being an unlisted company.

Directors Responsibility Statement

In accordance with the provisions of Section 134(5) of the Companies Act 2013, your directors confirm that:

- a) in the preparation of the annual accounts for the financial year ended 31st March, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as

Report of Board of Directors (Contd.)

to give a true and fair view of the state of affairs of the Company as at 31st March, 2023 and of the loss of the Company for that period;

- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws

and that such systems were adequate and operating effectively.

Acknowledgment

The Directors express their sincere appreciation to the valued shareholders, bankers, and clients for their support.

For and on behalf of the Board of Directors

Sapna Taneja
Director
DIN: 07032173

Mahesh Kumar Mittal
Director
DIN: 09071616

Place: Bangalore
Date: September 30, 2024

Report of Board of Directors (Contd.)

Annexure 1

Annual Report on CSR Activities to be included in the Board's Report for the Financial Year 2022-2023

- Brief outline on CSR Policy of the Company:** Corporate Social Responsibility ("CSR") activities of the Company is based on the United Nations 2030 Agenda for Sustainable Development and the 17 Sustainable Development Goals. We are working to contribute directly to many of these goals through our 2025 Sustainability Goals across four themes- Smart Agriculture, Water Stewardship, Circular Packaging & Climate Action in addition to our Smart Drinking Agenda, Road Safety city pilots, volunteering programs, small retailer development initiatives and disaster relief and rehabilitation efforts.

The Company proposes to undertake the relevant activities on priority basis in the following four focus areas:

- Ensuring environmental sustainability & ecological preservation;
- Facilitating community development and upliftment of the underprivileged;
- Spreading Smart Drinking messages & improving Road Safety;
- Encouraging and aiding employee volunteering and responding to disasters or emergencies.

The Policy specifies that the Company will set aside, for annual CSR activities, an amount based on the annual budget that is approved by the Board at the start of every financial year in line with the requirements of Section 135 of the Act. Subject to the availability of net profit, the Company will be required to spend, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years, pursuant to the provisions of Section 135 of the Companies Act, 2013 read in conjunction with Companies (Corporate Social Responsibility) Rules, 2014.

- Composition of Corporate Social Responsibility Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Sapna Taneja	Chairperson (Independent Director)	0	0
2.	Ms. Rashmi Sharma	Member (Independent Director)	0	0
3.	Mr. Mahesh Kumar Mittal	Member (WTD)	0	0

- Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:** Since the Company does not maintain its website and therefore, the weblink is not being provided here.
- Provide the executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):** Not Applicable
- Average net profit of the company as per section 135(5):** The Company has not made any profit pursuant to Section 198 of the Companies Act, 2013.
 - Two percent of average net profit of the company as per section 135(5):** The Company has not made any profit pursuant to Section 198 of the Companies Act, 2013.
 - Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** NIL
 - Amount required to be set off for the financial year, if any:** Not Applicable
 - Total CSR obligation for the financial year (b)+(c)- (d):** NIL

Report of Board of Directors (Contd.)

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): N.A.
(b) Amount spent in Administrative Overheads: N.A.
(c) Amount spent on Impact Assessment, if applicable: N.A.
(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: N.A.
(e) CSR amount spent or unspent for the Financial Year: N.A.

Total Amount Spent for the Financial Year. (in INR)	Amount Unspent (in INR)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
N.A.	N.A.		N.A.	N.A.	N.A.

- (f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in INR)
i.	Two percent of average net profit of the company as per sub-section (5) of section 135	N.A. as there are no profits.
ii.	Total amount spent for the Financial Year	NIL
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	N.A.
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	N.A.
v.	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	N.A.

7. Details of Unspent CSR amount for the preceding three Financial Years: Not Applicable as there was no obligation to make CSR expenditure during preceding three financial years.

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in INR)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in INR)	Amount spent in the Financial Year (in INR).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in INR)	Deficiency
					Amount (in INR).	Date of transfer	.		
1.	-	-	-	-	-	-	-	-	-
	Total								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No
9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

Mahesh Kumar Mittal
Director
DIN: 09071616
Place: Bangalore
Date: September 30, 2024

Sapna Taneja
Chairperson- Corporate Social Responsibility Committee
DIN: 07032173
Place: Bangalore
Date: September 30, 2024

Report of Board of Directors (Contd.)

Annexure 2

Terms of Reference of Audit Committee and Nomination and Remuneration Committee

I. AUDIT COMMITTEE:

TERMS OF REFERENCE

- (a) To recommend the appointment/re-appointment/re-placement, remuneration and terms of appointment of the Statutory Auditors and the Internal Auditors of the Company.
- (b) To review and monitor independence and performance of the Statutory and Internal Auditors.
- (c) To review effectiveness of the audit process and adequacy of the internal audit function, including structure/ staffing and reporting process and frequency of the internal audit.
- (d) To discuss with the Internal Auditors the nature and scope of internal audit before commencement of the internal audit and to ascertain any internal area of concern after completion of the internal audit,
- (e) To examine Financial Statements and Auditors' Report thereon and for this purpose, to call, if necessary, the comments of the Auditors about the following:
 - (i) Internal control systems.
 - (ii) Scope of audit, including observations of Auditors.
- (f) To recommend the Financial Statement to the Board for approval, after carrying out the procedure mentioned at (e) above.
- (g) To approve transactions of the Company with Related Parties, including any subsequent modifications.
- (h) To accord omnibus approval for Related Party Transactions in accordance with the provisions of Companies Act, 2013
 - (i) To scrutinize inter-corporate loans and investments made by the Company.
 - (j) To carry out valuation of undertakings and the assets of the Company, as and when necessary.
- (k) To evaluate the internal financial control systems.
- (l) To evaluate the Risk Management Systems
- (m) To investigate into any matter specified under serial nos. (a) to (l) above and for this purpose to obtain advise of external professionals, if necessary, and accord them full access to the information contained in the records of the Company.
- (n) To give personal hearing to the Auditors and key managerial personnel as and when necessary while reviewing the Auditor's Report.
- (o) To oversee the Company's financial reporting process and disclosure of the financial information to ensure that the financial statements are correct, sufficient and creditable.
- (p) To review the Annual Financial Statements with the Management before submitting the same to the Board particularly the following:
 - (i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Sub-section (5) of Section 134 of the Companies Act, 2013.
 - (ii) Changes, if any, in accounting policies and practices and reasons for the same.
 - (iii) Major accounting entries involving estimates based on the exercise of judgment by management.
 - (iv) Significant adjustments made in the financial statements arising out of audit findings.
 - (v) Disclosure of any related party transactions.
 - (vi) Qualifications in the draft Audit Report.

Report of Board of Directors (Contd.)

- (q) To discuss with the Internal Auditors any significant findings and follow-up thereof.
- (r) To review findings of the internal investigation, including the matters of suspected frauds or irregularities or failure of internal control systems.
- (s) Carrying out any other function, as may be assigned to Audit Committee pursuant to any amendments to the applicable provisions of the Companies Act, 2013.

II. NOMINATION AND REMUNERATION COMMITTEE:

TERMS OF REFERENCE

- a) To lay down criteria such as qualification, positive attributes and independence for appointment of persons as directors or Senior Managerial Personnel.
- b) To identify persons who are qualified to become directors or who may be appointed in senior management positions, as per the criteria laid down.
- c) To recommend to the Board the appointment and removal of the Directors, including Independent Directors.
- d) To carry out evaluation of performance of the Board, each of its Committee and every director's performance
- e) To recommend to the Board a policy relating to the remuneration for directors, including Managing Director(s) and Whole-time Director(s), key managerial personnel and other employees. While formulating the policy, the committee shall ensure that:
 - (i) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
 - (ii) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - (iii) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.
- f) To recommend remuneration to be paid to a Director for any service rendered by him to the Company which are of a professional nature and provide an opinion, whether such Director possess the requisite qualification for the practice of such profession.

Report of Board of Directors (Contd.)

Annexure 3

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 arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis. –
2. Details of material contracts or arrangements or transactions at Arm's length basis.

Sr. No	Name (s) of the Related Party & Nature of Relationship	Nature of contracts/ arrangements /transactions	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of Omnibus Approval by the Board / Audit Committee	Amount paid as advances, if any
1.	AB InBev China co., Ltd., Fellow Subsidiary	Purchase of stock-in-trade	FY 2022-23	In the Ordinary Course of business	13 th May 2022	N.A.
2.	Anheuser Busch Inbev Shanghai Sales Co Ltd., Fellow Subsidiary	Purchase of stock-in-trade		In the Ordinary Course of business		N.A.
3.	Oriental Brewery Co. Ltd., Fellow Subsidiary	Purchase of stock-in-trade		In the Ordinary Course of business		N.A.
4.	Crown Beers India Private Limited, Fellow Subsidiary	Purchase of raw materials and packing materials		In the Ordinary Course of business		N.A.
5.	Anheuser - Busch InBev Procurement GmbH, Fellow Subsidiary	Legal, consultancy and professional charges		In the Ordinary Course of business		N.A.

For and on behalf of the Board of Directors

Sapna Taneja
Director
DIN: 07032173

Place: Bangalore
Date: September 30, 2024

Mahesh Kumar Mittal
Director
DIN: 09071616

Secretarial Audit Report

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023

[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

ANHEUSER BUSCH INBEV INDIA LIMITED

(Formerly known as SABMiller India Limited)

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

We have examined the books, papers, minute books, forms and returns filed and other records made available to us electronically and maintained by the Company for the financial year ended on 31st March, 2023, and the information to the extent provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by The Ministry of Corporate Affairs warranted due to the spread of the COVID-19 pandemic, according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Company being an unlisted Company the provisions of the Securities and Exchange Board of India Act, 1992 are not applicable.
- (vi) Other laws specifically applicable to the Company as per the representations made by the Company.
 - 1) Food Safety and Standards Act, 2006 and applicable rules and regulations made thereunder;
 - 2) Legal Metrology Act, 2009 and rules made thereunder;
 - 3) The Environment Protection Act, 1986 and rules made thereunder;
 - 4) The Water (Prevention & Control of Pollution) Act, 1974;
 - 5) The Air (Prevention & Control of Pollution) Act, 1981;
 - 6) The Factories Act, 1948 and rules made thereunder;
 - 7) All other Labour, employee and Industrial Laws to the extent applicable to the Company;
 - 8) Various State Excise Laws relating to alcohol and related industry.

In absence of information, we are unable to comment in respect of the compliances on the above mentioned other laws. As informed the Company has received various show cause notices under other laws.

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

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

Secretarial Audit Report (Contd.)

- i. Provisions of Section 96, 129, 134, 137 and the rules made thereunder in respect of approval of audited financial statements, Boards' Report and convening of Annual General Meeting for the financial year ended 31st March 2022 and there is a gap of more than fifteen months between two AGM's (i.e. AGM held for FY 2019-2020 held on 27.04.2022 and AGM for FY 2020-2021 held on 18.09.2023).
- ii. Standards issued by The Institute of Company Secretaries of India with respect to board meetings.

We further report that some of the related party transactions entered by the Company during the financial year are subject to compliance of Section 177 of the Act.

We further report that the excess remuneration paid to the Whole-time Directors is subject to the approval of the shareholders of the Company.

We further report that:

The Board of Directors of the Company, is constituted with Executive Directors, Non-Executive Director and Independent Directors. There were changes in the composition of the Board of Directors that took place during the period under review.

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

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

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

Subject to what is stated hereinabove, we further report that during the audit period the following event occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

- The Company had allotted 3,10,26,843 Equity Shares of Rs. 10/- each at a premium of Rs. 56/- per equity share on private placement cum preferential allotment basis to AB InBev Asia BV, the Holding Company.

For Parikh & Associates
Company Secretaries

Place: Mumbai
Date: September 30, 2024

Signature:

J.U.Poojari
Partner
FCS No: 8102 CP No: 8187
UDIN No. F008102F001385456
Peer Review No. 1129/2021

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

Secretarial Audit Report (Contd.)

'Annexure A'

To,

The Members

ANHEUSER BUSCH INBEV INDIA LIMITED

(Formerly known as SABMiller India Limited)

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

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

For Parikh & Associates
Company Secretaries

Place: Mumbai
Date: September 30, 2024

Signature:

J.U.Poojari
Partner
FCS No: 8102 CP No: 8187
UDIN No. F008102F001385456
Peer Review No. 1129/2021

Independent Auditor's Report

Independent Auditor's Report

To the Members of Anheuser Busch InBev India Limited Report on the Audit of the Financial Statements

Qualified Opinion

1. We have audited the accompanying financial statements of Anheuser Busch InBev India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and except for the indeterminate effects of the matters described in 'Basis of Qualified Opinion' section of our report, give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

3. We draw your attention to the following:
 - (a) Note 48(a) to the financial statements regarding non-compliance with Sections 96(1) and 134(2) of the Act as the audited financial statements for the years ended March 31, 2018, March 31, 2019, March 31, 2020, March 31, 2021, March 31, 2022 and March 31, 2023 were not laid in the Annual General Meetings (AGMs) of the respective years within the stipulated time prescribed in the Act; and
 - (b) Note 39(a) to the financial statements regarding non-availability of complete information for identification of the suppliers which are covered under the provisions of the Micro, Small and Medium Enterprise Development Act, 2006 ("MSMED Act"). In the absence of adequate evidence, we are unable to conclude on the completeness and accuracy of the interest recognised as payable to such parties under Section 16 of the MSMED Act and required disclosures under Section 22 of the MSMED Act.

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

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

Emphasis of Matter

5. We draw your attention to the following:
 - (a) Note 6(i) to the financial statements regarding loan amounting to INR 145 million granted to a related party during the financial year ended March 31, 2020, which has been ascertained to be non-recoverable by the Company considering the inability of the related party to repay the loan, against which a provision was recognised during the year ended March 31, 2021 and which has been written off during the current financial year.
 - (b) Note 48(b) to the financial statements regarding non-compliance with Sections 177 and 178 of the Act and Schedule IV to the Act regarding composition of Audit Committee and Nomination and Remuneration Committee of the Board, and Section 152 read with Section 172 of the Act regarding retirement of directors by rotation at every AGM, and the subsequent action taken by the Company for regularisation of the non-compliances.
 - (c) Note 48(c) regarding the constitution of the Nomination and Remuneration Committee of the Board with less than three non-executive directors, which was not in compliance with the requirements of Section 178 of the Act read with Rule 6 of the Companies (Meetings of Board and its powers) Rules, 2014, and the subsequent action taken by the company for regularisation of the non-compliances.
 - (d) Note 48(d) to the financial statements regarding non-compliance under provisions of the Section 196 read with Schedule V of the Act relating to the appointment of a non-resident as the Whole-time director during the period from November 27, 2017 to September 4, 2020 without obtaining prior approval from the Central Government.

Independent Auditor's Report (Contd.)

The Company has filed applications for adjudication/compounding the offences, as applicable, with the Registrar of Companies (ROC), Mumbai and the response is awaited.

Our opinion is not modified in respect of these matters.

Other Information

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

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

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

We have nothing to report in this regard.

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

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

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

Auditor's responsibilities for the audit of the financial statements

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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

Independent Auditor's Report (Contd.)

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

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

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

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

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms Section 143(11) of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- (a) We have sought and except for the indeterminate effects of the matters described in the 'Basis for Qualified Opinion' section of our report, we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, except for the indeterminate effects of the matters referred to in the 'Basis for Qualified Opinion' section of our report and that in the absence of sufficient appropriate audit evidence, we are unable to verify whether the backup of books of account and other books and papers maintained in electronic mode has been maintained on a daily

basis on servers physically located in India during the period August 11, 2022 to March 31, 2023, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

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

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

- (e) On the basis of the written representations received from the directors as on March 31, 2023 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.

- (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 14(b) above.

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

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

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 and 40 to the financial statements.
- ii. 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 as at March 31, 2023.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023.
- iv. (a) The management has represented that, to the best of its knowledge and belief,

Independent Auditor's Report (Contd.)

- no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 47(vi)(A) to the financial statements);
- (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 47(vi)(B) to the financial statements); and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause
- (a) and (b) above contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for maintaining books of account in accounting software having a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.
15. The managerial remuneration paid/ provided for by the Company is in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Refer Note 48(g) to the financial statements.

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

Amit Kumar Agrawal
Partner

Membership Number: 064311
UDIN: 24064311BKFWGU2589

Place: Bengaluru
Date: September 30, 2024

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 14(g) of the Independent Auditor's Report of even date to the members of Anheuser Busch InBev India Limited on the financial statements as of and for the year ended March 31, 2023

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

1. We were engaged to audit the internal financial controls with reference to financial statements of Anheuser Busch InBev India Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit conducted in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI.
4. Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system with reference to financial statements of the Company.

Meaning of Internal Financial Controls with reference to financial statements

5. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability

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

Basis for Disclaimer of Opinion

6. a. According to the information and explanation given to us, the Company has not established its internal financial control with reference to financial statements on criteria based on or considering the essential components of internal control stated in the Guidance Note issued by the ICAI. This include material weaknesses identified in the Company's process as the Company did not have an appropriate internal control system for compliances with laws and regulations which has resulted in non-identification of suppliers covered under the Micro, Small and Medium Enterprise Development Act, 2006, and non-compliance with the related provisions; and non-compliance with the requirements of sections 96(1) and 134(2) of the Companies Act, 2013, which could potentially result in penalties and fines being levied on the Company or any other regulatory action being taken against the Company, which is presently not ascertainable. (Refer Note 41 to the financial statements and paragraph 3(a) and 3(b) of the main audit report)
- b. 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.

Disclaimer of Opinion

7. As described in the 'Basis for Disclaimer of Opinion' paragraph above, we are unable to obtain sufficient appropriate audit evidence to provide a basis for

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

our opinion on whether the Company had adequate internal financial controls with reference to financial statements and whether such internal financial controls were operating effectively as at March 31, 2023 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 issued by the ICAI.

8. We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company as of and for the year ended March 31, 2023, and paragraph 6 of the "Basis for Disclaimer of Opinion" section above affects our opinion on the financial statements of the Company and we have issued a

qualified opinion on the financial statements (Also, refer paragraph 3(a) and 3(b) of the main audit report).

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

Amit Kumar Agrawal
Partner

Membership Number: 064311
UDIN: 24064311BKFWGU2589

Place: Bengaluru
Date: September 30, 2024

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Anheuser Busch InBev India Limited on the financial statements as of and for the year ended March 31, 2023

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
(B) The Company is maintaining proper records showing full particulars of Intangible Assets.
 - (b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. Also refer Note 4A(ii) to the financial statements.
 - (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 4A (Property, Plant and Equipment) and 4B (Right of use assets) to the financial statements, are held in the name of the Company, except for immovable properties as mentioned in the **Appendix I** to this Report for which the title deeds are not in the possession of the Company or are in the name of the erstwhile entities amalgamated with the Company in prior years. Also refer Note 4A(iii) to the financial statements.
 - (d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
 - (e) Based on the information and explanations furnished to us, no proceedings have been initiated on (or) are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. (a) The physical verification of inventory, excluding certain stocks of packing materials amounting to INR 148 million and stocks with third parties aggregating to INR 4,774 million, has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
(b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
 - iii. (a) The Company has made investment in one company. The Company has not granted secured/unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties during the year. Refer Note 5(i) to the financial statements.
(b) In respect of the aforesaid investments, the terms and conditions under which such investments were made are not prejudicial to the Company's interest.
(c) In respect of the loans/advances in nature of loans granted in the previous years, the schedule of repayment of principal and payment of interest had been stipulated. However, the said loans/advances in the nature of loans have been written off during the year, hence the question of our commenting whether the parties are repaying the principal amounts or are regular in payment of interest does not arise. Also refer Note 6(i) and (ii) to the financial statements.
(d) In respect of the loans/advances in nature of loans granted in the previous years, considering that the said loans/advances in the nature of loans have been written off during the year, hence the question of our commenting whether there is any amount which is overdue for more than ninety days does not arise. Also refer Note 6(i) and (ii) to the financial statements.

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

- (e) The Company has not granted any loans/advances in the nature of loans during the year, therefore, the question of our commenting whether fresh loans were granted to settle the overdue loans/advances in the nature of loan does not arise. Also refer Note 6(i) and (ii) to the financial statements.
- (f) There were no loans/advances in the nature of loans granted during the year, including to promoters/related parties that were repayable on demand or without specifying any terms or period of repayment.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of the loans and investments made. The Company has not provided any guarantees and security to parties covered under Sections 185 and 186 of the Act.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under Section 148(1) of the Act for any of the products of the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion the Company is generally regular in depositing undisputed statutory dues in respect of income tax (including tax deducted at source and tax collected at source), value added tax, provident fund and professional tax though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues in respect of goods and services tax, central sales tax, employees' state insurance, duty of excise and duty of customs and other material statutory dues, as applicable, with the appropriate authorities.

The extent of the arrears of statutory dues outstanding as at March 31, 2023 for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (INR in million)	Period to which the amount relates	Due date	Date of Payment	Remarks, if any
Karnataka Tax on Professions, Trades, Calling and Employment Act, 1976	Professional Tax	0*	June-22	July 20, 2022	September 14, 2023	None
Karnataka Tax on Professions, Trades, Calling and Employment Act 1976	Professional Tax	0*	July-22	August 20, 2022	November 9, 2023 and November 14, 2023	None

* 0 indicates that the amounts involved are below INR five lakhs

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of employee state insurance, professional tax, provident fund which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2023 which have not been deposited on account of a dispute, are disclosed in **Appendix II** to this Report.
- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained. Also refer Note 16(A)(b) to the financial statements.

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

- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has made private placement of equity shares during the year, in compliance with the requirements of Sections 42 and 62 of the Act. The funds raised have been used for the purpose for which funds were raised. The Company has not made any preferential allotment or issued any convertible debentures during the year.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act, except in respect of transactions amounting to Rs. 2088 million, which are not approved/ are in excess of the limits approved by the Audit Committee of the Board of Directors as required under Section 177 of the Act. The details of the related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Also refer Note 48(h) to the financial statements.
- xiv. (a) In our opinion and according to the information and explanation given to us, the Company's internal audit system is not commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

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

- (d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has incurred cash losses of INR 2458 million in the financial year and of INR 1,219 million in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 46 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due. Also refer Note 2.1(v) to the financial statements.
- xx. The Company was not required to spend any amount during the year for Corporate Social Responsibility under Section 135(5) and 135(6) of the Act. Accordingly, there is no amount unspent as at March 31, 2023 and the reporting under clause 3(xx) of the Order is not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Amit Kumar Agrawal
Partner

Membership Number: 064311
UDIN: 24064311BKFWGU2589

Place: Bengaluru
Date: September 30, 2024

Appendix I to Annexure B to Independent Auditors' Report

Title deeds not in the name of the Company [under clause 3(i)(c) of the Order]

Description of property	Gross carrying value (INR million)	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of the Company
Freehold land in Haryana	340	Haryana Breweries and SKOL Breweries Limited	No	48 Years	Refer Note 2
Freehold land in Mysore	378	SPR Distilleries Private Limited	No	6 Years	Refer Note 2
Freehold land in Telangana	52	Refer Note 1	No	25 Years	Refer Note 1 and 2
Freehold land in Uttar Pradesh	92	Refer Note 1	No	36 Years	Refer Note 1 and 2
Leasehold land in Rajasthan	32	Rochees Breweries Limited	No	29 Years	Refer Note 2
Leasehold land in Rajasthan	31	Refer Note 1	No	12 Years	Refer Note 1 & 2
Leasehold land in Aurangabad - Plot No. L-5, Waluj	115	PALS Distilleries Limited	No	29 Years	Refer Note 2
Leasehold land in Aurangabad - Plot No. M-99, Waluj	98	Foster's India Limited	No	27 Years	Refer Note 2
Building in Telangana	660	Refer Note 1	No	29 Years	Refer Note 1 and 3
Building in Uttar Pradesh	48	Refer Note 1	No	36 Years	Refer Note 1 and 3
Building in Haryana	655	Refer Note 3	No	14 Years	Refer Note 3
Building in Mysore	1,321	Refer Note 3	No	5 Years	Refer Note 3
Building in Aurangabad - Plot No. M-99, Waluj	165	Refer Note 3	No	24 Years	Refer Note 3
Building in Aurangabad - Plot No. L-5, Waluj	342	Refer Note 3	No	27 Years	Refer Note 3
Building in Rajasthan	366	Refer Note 1	No	24 Years	Refer Note 1 and 3

Notes:

- 1) The Company is not in the possession of the title deeds.
- 2) The property is held in the name of erstwhile transferor companies which were amalgamated with the Company.
- 3) The Building are acquired with the Breweries from the erstwhile transferor companies which were amalgamated with the Company. The properties are located on the land which are in the name of erstwhile transferor companies.

Appendix II to Annexure B to Independent Auditors' Report

Name of the Statute	Nature of the dues	Total Disputed Amount (in INR Million)	Amount Paid Under Protest (in INR Million)	Unpaid Amount (in INR Million)	Period to which the amount Relates	Forum where dispute is pending
Income Tax Act, 1961	Penalty	138	5	133	2016-17 and 2017-18	Commissioner of Income Tax (Appeals), Karnataka
Andhra Pradesh Value Added Tax, 2005	Value Added Tax	23	3	20	2010-11 to 2012-13	Assistant Commissioner (Commercial Taxes) Audit, Hyderabad
Bihar and Orissa Excise Act, 1915	State excise duty	24	11	13	2001-02 to 2004-05	Supreme Court of India
	State excise duty	3	2	1	2005-06	Orissa High Court
Bombay Prohibition Act, 1949	State excise duty	1	-	1	1983-84 to 1988-89	Bombay High Court
	State excise duty	1	-	1	2000-01	Commissioner of State Excise, Maharashtra
Bombay Sales Tax Act, 1959	Sales Tax	3	1	2	1992-93	Trade Tax Tribunal, Maharashtra
	Sales Tax	11	6	5	1995-97 and 1998-99	Sales Tax Tribunal, Maharashtra
Bombay Sales Tax Act, 1959 & Central Sales Tax Act, 1956	Sales Tax	14	1	13	2001-02	Deputy Commissioner of Sales Tax (Appeals), Maharashtra
Central Excise Act, 1944	Excise duty and Penalty	12	-	12	2009-10 to 2014-15	Central Excise and Service Tax Appellate Tribunal, Mumbai
	Excise duty and Penalty	4	0	4	2014-15 to 2016-17	Central Excise and Service Tax Appellate Tribunal, Haryana
	Excise duty and Penalty	23	1	22	2009-10 to 2014-15	Central Excise and Service Tax Appellate Tribunal, Hyderabad
Central Sales Tax Act, 1956/ Rajasthan Value Added Tax, 2003	Central Sales Tax	10	4	6	2013-14 to 2018-19	Commercial Tax Officer, Jaipur
Customs Act, 1962	Customs Duty	0	0	0	2007-08	Customs Excise and Service Tax Appellate Tribunal, Mumbai

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

Name of the Statute	Nature of the dues	Total Disputed Amount (in INR Million)	Amount Paid Under Protest (in INR Million)	Unpaid Amount (in INR Million)	Period to which the amount Relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Central Sales Tax	4	4	-	2004-05	Sales Tax Tribunal, Meerut
	Central Sales Tax	8	0	8	2013-14 to 2018-19	Additional Commissioner (Appeals), Jaipur
	Central Sales Tax	2	2	-	2015-16	Additional Commissioner (Appeals), Meerut
	Central Sales Tax	1	1	0	2016-17	Appellate Deputy Commissioner, Hyderabad
	Central Sales Tax	1	1	0	2016-17 to 2017-18	Joint Commissioner (Appeals), Bangalore
	Central Sales Tax	118	65	53	2012-13 to 2014-15	Central Excise and Service Tax Appellate Tribunal, Mumbai
	Central Sales Tax	1	0	1	2016-17	CST Department, Telangana
	Central Sales Tax	439	71	368	2015-16 and 2017-18	Deputy Commissioner of Sales Tax (Appeals), Mumbai
	Central Sales Tax	2	-	2	2012-13	Haryana Tax Tribunal, Chandigarh
	Central Sales Tax	156	14	142	2016-17	Joint Commissioner of Sales Tax, Maharashtra
	Central Sales Tax	105	32	73	2013-14	Joint Commissioner of Sales tax (Appeals), Aurangabad
	Central Sales Tax	83	-	83	2014-15 to 2017-18	Joint Excise & Taxation Commissioner Appeals, Haryana
	Central Sales Tax	131	-	131	2016-17	The Additional Commissioner (Appeals), Uttar Pradesh
Delhi Sales Tax Act, 1975	Sales Tax	1	-	1	2002-03	Assistant Commissioner of Commercial Taxes (Appeals), New Delhi
Finance Act, 1994	Service Tax	651	-	651	2004-05 to 2016-17	Karnataka High Court
	Service Tax and penalty	68	3	65	2008-09 to 2016-17	Customs Excise and Service Tax Appellate Tribunal, Bhopal
	Service Tax and penalty	13	1	12	2015-16	Commissioner of Central Tax (Appeals), Bengaluru

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

Name of the Statute	Nature of the dues	Total Disputed Amount (in INR Million)	Amount Paid Under Protest (in INR Million)	Unpaid Amount (in INR Million)	Period to which the amount Relates	Forum where dispute is pending
Haryana Local Area Development Tax Act, 2000	Local Area Development Tax	10	-	10	2000-01 to 2003-04	Punjab and Haryana High Court
Haryana Sales Tax Act, 1973	Sales Tax	6	5	1	1989-90 to 2002-03	Punjab and Haryana High Court
Haryana Value Added Tax Act, 2003	Sales tax	5	-	5	2017-18	Joint Excise & Taxation Commissioner (Appeals), Haryana.
	Sales tax	46	-	46	2010-11 to 2014-15	Haryana Tax Tribunal, Chandigarh
	Sales tax	80	-	80	2013-14 to 2016-17 and 2018-19	Joint Excise & Taxation Commissioner (Appeals), Haryana
	Sales tax	2	-	2	2015-16	Revisional Authority - Deputy Excise & Taxation Commissioner (Appeals), Haryana
Jammu and Kashmir General Sales Tax Act, 1962	Sales tax	77	0	77	2015-16 and 2016-17	The Deputy Commissioner, State Taxes (Appeals), Jammu
	Sales tax	23	0	23	2017-18	Deputy Commissioner of State Tax Appeals, Jammu
Karnataka Value added Tax	Entry Tax	47	42	5	2006-07 to 2014-15	Joint Commissioner of Commercial tax (Appeals), Bengaluru
Madhya Pradesh Value Added Tax Act, 2002	Value Added Tax	5	2	3	2007-08 and 2009-10	Madhya Pradesh Commercial Tax Appellate Board, Bhopal
	Value Added Tax	81	17	64	2018-19 to 2019-20	The Appellate Authority, Madhya Pradesh
	Sales tax	112	11	101	2017-18	Assistant Commissioner, Madhya Pradesh
	Entry Tax	1	-	1	2008-09	Additional Commissioner (Appeals), Gwalior
Maharashtra Value Added Tax Act, 2002	Sales tax	6	0	6	2014-15 and 2016-17	Joint Commissioner (Appeals), Aurangabad, Maharashtra
	Sales tax	4	1	3	2012-13	Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai
	Sales tax	11	4	7	2008-09 and 2015-16	Maharashtra Sales tax Tribunal, Pune

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

Name of the Statute	Nature of the dues	Total Disputed Amount (in INR Million)	Amount Paid Under Protest (in INR Million)	Unpaid Amount (in INR Million)	Period to which the amount Relates	Forum where dispute is pending
Maharashtra Value Added Tax Act, 2002	Value Added Tax	221	60	161	2005-06 to 2010-11, 2013-14 and 2017-18	Joint Commissioner of State Tax, Aurangabad
Orissa Entry Tax Act, 1999	Entry Tax	1	0	1	2000-01	Sales Tax Tribunal, Orissa
Orissa Sales Tax Act, 1947	Sales Tax and Value Added Tax	93	82	11	1994-95 to 2000-01	Assistant Commissioner of Sales Tax, Orissa
Pondicherry General Sales Act, 1967	Sales Tax	12	2	10	1981-82 to 1984-85, 1997-98 to 1998-99	The Assistant Commissioner (Appeals), Pondicherry
Punjab Excise Act, 1914	State excise duty	14	3	11	1973-74 to 1990-91	Financial Commissioner, Haryana
Rajasthan Value Added Tax Act, 2003	Sales tax	13	-	13	2014-15 to 2017-18	Additional Commissioner (Appeals), Jaipur
Uttar Pradesh Tax on Entry of Goods Act, 2000	Entry Tax	2	-	2	2005-06	Allahabad High Court
Uttar Pradesh Trade Tax Act, 1948	Entry Tax	1	-	1	2008-09	Additional Commissioner (Appeals), Allahabad
	Entry Tax	7	7	-	2003-04 and 2005-06	Supreme Court of India
Uttar Pradesh Value Added Tax Act, 2008	Entry Tax	18	18	-	2007-08 to 2015-16	Supreme Court of India
West Bengal Value Added Tax Act, 2003	Sales tax	1	-	1	2018-19	The Additional Commissioner (Appeals), Meerut
	Value Added Tax	0	-	0	2009-10	Joint Commissioner of Commercial Tax, Kolkata

Financial Statements

(All amounts in INR Millions unless otherwise stated)

Balance sheet

	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4A	9,500	10,201
Right-of-use assets	4B(i)	1,441	1,607
Capital work-in-progress	4C	805	143
Intangible assets	4D	206	311
Financial assets			
Loans	6	-	-
Other financial assets	7A	166	159
Deferred tax asset (net)	29D	-	-
Current tax assets (net)	8	34	75
Other non-current assets	9A	1,127	1,057
Total non-current assets		13,279	13,553
Current assets			
Inventories	11	10,469	6,107
Financial assets			
Investments	5	144	-
Trade receivables	12	6,142	4,401
Cash and cash equivalents	13A	1,873	510
Bank balances other than cash and cash equivalents	13B	54	-
Other financial assets	7B	66	45
Other current assets	9B	1,858	1,711
Assets classified as held for sale	10	-	454
Total current assets		20,606	13,228
Total assets		33,885	26,781
EQUITY AND LIABILITIES			
Equity			
Share capital	14	9,284	8,974
Other equity			
Reserves and surplus	15	(1,901)	552
Total equity		7,383	9,526
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16A	-	-
Lease liabilities	4B(ii)	1,078	1,212
Other financial liabilities	17A	461	135
Provisions	18A	214	197
Other non-current liabilities	19A	46	55
Total non-current liabilities		1,799	1,599
Current liabilities			
Financial liabilities			
Borrowings	16B	9,260	3,476
Lease liabilities	4B(ii)	331	321
Trade payables			
(A) total outstanding dues of micro and small enterprises	20	430	108
(B) total outstanding dues of creditors other than micro and small enterprises	20	8,098	5,723
Other financial liabilities	17B	1,738	1,101
Provisions	18B	2,620	2,419
Other current liabilities	19B	2,226	2,508
Total current liabilities		24,703	15,656
Total liabilities		26,502	17,255
Total equity and liabilities		33,885	26,781

The above balance sheet should be read in conjunction with the accompanying notes.

As per our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP

Firm registration number: 304026E/E-300009

Amit Kumar Agrawal

Partner

Membership number: 064311

Place: Bengaluru

Date: 30 September 2024

For and on behalf of the Board of Directors

Mahesh Kumar Mittal

Director

DIN: 09071616

Mansi Bajaj

Company Secretary

Membership Number: ACS-68330

Place: Bengaluru

Date: 30 September 2024

Kartikeya Sharma

Director

DIN: 07728620

Aastha Sharma

Chief Financial Officer

Financial Statements (Contd.)

(All amounts in INR Millions unless otherwise stated)

Statement of Profit and Loss

	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
Income			
Revenue from operations	21	61,774	36,081
Other income	22	514	860
Total income		62,288	36,941
Expenses			
Cost of material consumed	23	17,012	8,899
Purchase of stock-in-trade		431	287
Change in inventories of finished goods, work-in-progress and stock-in-trade	24	(1,310)	(532)
Excise duty		36,196	21,427
Employee benefits expense	25	2,309	2,140
Finance costs	26	719	190
Depreciation and amortisation expense	27	1,876	2,258
Other expenses	28	9,444	5,925
Total expenses		66,677	40,594
Loss before tax		(4,389)	(3,653)
Income tax expense:			
Current tax	29	-	-
Deferred tax		-	-
		-	-
Loss for the year		(4,389)	(3,653)
Other comprehensive income:			
A. Items that will be reclassified to profit or loss		-	-
B. Items that will not be reclassified to profit or loss			
(i) Remeasurements of defined benefit plan	35(ii)	5	(7)
(ii) Tax relating to above		-	-
Other comprehensive income for the year, net of tax		5	(7)
Total comprehensive income for the year		(4,384)	(3,660)
Loss per equity share (par value: INR 10 each)			
- Basic and Diluted (In INR)	32	(4.88)	(5.35)

The above statement of profit and loss should be read in conjunction with the accompanying notes.

As per our report of even date.

For Price Waterhouse & Co Chartered Accountants LLP

Firm registration number: 304026E/E-300009

Amit Kumar Agrawal

Partner

Membership number: 064311

Place: Bengaluru

Date: 30 September 2024

For and on behalf of the Board of Directors

Mahesh Kumar Mittal

Director

DIN: 09071616

Mansi Bajaj

Company Secretary

Membership Number: ACS-68330

Place: Bengaluru

Date: 30 September 2024

Kartikeya Sharma

Director

DIN: 07728620

Aastha Sharma

Chief Financial Officer

Financial Statements (Contd.)

(All amounts in INR Millions unless otherwise stated)

Statement of Cash Flows

	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
A. Cash flow from operating activities			
(Loss) before tax		(4,389)	(3,653)
Adjustments for:			
Depreciation and amortisation expense	27	1,876	2,258
Finance costs	26	719	190
Provision for indirect tax and other legal matters		110	204
Loss allowance on trade receivables and other financial assets (net)	28	9	148
Allowance for doubtful non-financial assets	28	57	51
Bad and doubtful advances written off	28	-	30
Employee stock option expense	25	55	126
Gain on sale of property, plant and equipment	22	(426)	(420)
Gain on sale of brand	22	-	(368)
Release of deferred government grants	22	(10)	(10)
Interest income on fixed deposits held at amortised cost	22	(4)	(12)
Interest on income tax refund	22	(19)	(8)
Unwinding of discount on security deposits	22	(3)	(2)
Unrealised foreign exchange (gain)/loss		(1)	50
Operating loss before changes in working capital		(2,026)	(1,416)
Changes in working capital			
(Increase) / decrease in other financial assets		(65)	525
(Increase) / decrease in inventories		(4,362)	(970)
(Increase) / decrease in trade receivables		(1,761)	(831)
(Increase) / decrease in other assets		(266)	(1,503)
Increase / (decrease) in other financial liabilities		38	108
Increase / (decrease) in provisions		27	(29)
Increase / (decrease) in trade payables		2,692	1,264
Increase / (decrease) in other liabilities		(281)	1,048
Cash generated from / (used in) operations		(6,004)	(1,804)
Income taxes refund/ (paid) - net		60	46
Cash (used in) operations [A]		(5,944)	(1,758)
B. Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(1,192)	(1,038)
Proceeds from sale of property, plant and equipment and intangible assets		886	1,450
Interest received		4	12
Investment in preference shares		0	-
Fixed deposits matured with bank		104	129
Fixed deposits made with bank		(108)	(141)
Cash generated from / (used in) investing activities [B]		(306)	412

Financial Statements (Contd.)

(All amounts in INR Millions unless otherwise stated)

Statement of Cash Flows

	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
C. Cash flows from financing activities			
Proceeds from issue of shares		2,048	5,625
Amount utilised for share issue expenses		(6)	-
Principal element of lease payments		(330)	(232)
Interest paid on lease liabilities		(132)	(119)
Proceeds from sale and lease back		748	-
Principal paid on sale and lease back		(68)	-
Interest paid on sale and lease back		(58)	-
Interest paid on External Commercial Borrowings from related parties		-	(199)
Interest paid on working capital loan and overdrafts from banks		(345)	(224)
Interest paid on term loans from related parties		-	(146)
Interest paid on currency swap contracts		-	(110)
Interest paid to capital creditors		(18)	-
(Repayment of) term loans from related parties (net)		-	(445)
Proceeds from/ (repayment of) working capital loan and overdrafts from banks (net)		5,774	(2,812)
Cash generated from financing activities [C]		7,613	1,338
Net increase / (decrease) in cash and cash equivalents [A+B+C]		1,363	(8)
Cash and cash equivalents at the beginning of the year		510	516
Effect of exchange rate changes on cash and cash equivalents		0	2
Cash and cash equivalents at the end of the year		1,873	510
		As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents as at the end of the year comprises of:	13A		
Balances with banks			
In current accounts		1,817	335
In exchange earners foreign currency account		56	77
Deposits with maturity less than three months		-	98
Cash and cash equivalents at the end of the year		1,873	510
Note:			
Non-cash financing and investing activities			
Investment in preference shares	5	144	-
Acquisition of right-of-use assets	4B	209	609
Conversion of ECB into equity	14(a) (iii)	-	7,770

The above statement of cash flows should be read in conjunction with the accompanying notes.

As per our report of even date.

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

Amit Kumar Agrawal
Partner
Membership number: 064311

For and on behalf of the Board of Directors

Mahesh Kumar Mittal
Director
DIN: 09071616

Kartikeya Sharma
Director
DIN: 07728620

Mansi Bajaj
Company Secretary

Aastha Sharma
Chief Financial Officer

Place: Bengaluru
Date: 30 September 2024

Membership Number: ACS-68330
Place: Bengaluru
Date: 30 September 2024

Financial Statements (Contd.)

(All amounts in INR Millions unless otherwise stated)

Statement of Changes in Equity for the year ended 31 March 2023

A. Equity share capital

Particulars	Note	Amount
Balance as at 1 April 2021		6,166
Changes in equity share capital	14	2,808
Balance as at 31 March 2022		8,974
Changes in equity share capital	14	310
Balance as at 31 March 2023		9,284

B. Other Equity

Particulars	Note	Reserves and Surplus							Total
		Securities premium	Capital reserve	Amalgamation adjustment reserve/ (deficit) account	General reserve	Capital contribution [Refer Note 5(i)]	Equity contribution by parent company in the form of employee stock options	Retained earnings	
Balance as at 1 April 2021	15	22,504	(19)	(1,030)	1,218	-	1,215	(30,386)	(6,498)
Loss for the year		-	-	-	-	-	-	(3,653)	(3,653)
Other comprehensive income		-	-	-	-	-	-	(7)	(7)
Total comprehensive income for the year		-	-	-	-	-	-	(3,660)	(3,660)
<i>Transactions with owners in their capacity as owners:</i>									
Issue of equity shares for cash		4,446	-	-	-	-	-	-	4,446
Issue of equity shares by way of conversion of External Commercial Borrowings ("ECB")		6,141	-	-	-	-	-	-	6,141
Amount utilised for share issue expenses		(3)	-	-	-	-	-	-	(3)
Employee stock option expense for the year		-	-	-	-	-	126	-	126
Balance as at 31 March 2022	15	33,088	(19)	(1,030)	1,218	-	1,341	(34,046)	552
Loss for the year		-	-	-	-	-	-	(4,389)	(4,389)
Other comprehensive income		-	-	-	-	-	-	5	5
Total comprehensive income for the year		-	-	-	-	-	-	(4,384)	(4,384)
<i>Transactions with owners in their capacity as owners:</i>									
Issue of equity shares for cash		1,738	-	-	-	-	-	-	1,738
Capital contribution [Refer note 5(i)]		-	-	-	-	144	-	-	144
Amount utilised for share issue expenses		(6)	-	-	-	-	-	-	(6)
Employee stock option expense for the year		-	-	-	-	-	55	-	55
Balance as at 31 March 2023	15	34,820	(19)	(1,030)	1,218	144	1,396	(38,430)	(1,901)

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

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

Amit Kumar Agrawal
Partner
Membership number: 064311

Place: Bengaluru
Date: 30 September 2024

For and on behalf of the Board of Directors

Mahesh Kumar Mittal
Director
DIN: 09071616

Mansi Bajaj
Company Secretary
Membership Number: ACS-68330

Place: Bengaluru
Date: 30 September 2024

Kartikeya Sharma
Director
DIN: 07728620

Aastha Sharma
Chief Financial Officer

Notes to the Financial Statements as of and for the year ended 31 March 2023

1 Company background

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

These financial statements are approved for issue by the Company’s Board of Directors on 30 September 2024.

2 Significant Accounting Policies

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

2.1 Basis of preparation and presentation

(i) Compliance with Ind AS

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

(ii) Historical cost convention

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

- defined benefits plans – plan assets are measured at fair value; and
- equity contribution by parent company in the form of ESOP measured as per principles of Ind AS 102
- certain financial assets and financial liabilities measured at fair value
- assets classified as held for sale measured at lower of cost and fair value less costs to sell

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

(iii) New and amended standards adopted by the Company

The Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iv) Standard issued but not yet effective

- (a) The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the ‘Rules’) which amends certain accounting standards, and are effective 1 April 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Company’s accounting policy already complies with the now mandatory treatment.

- (b) The Ministry of Corporate Affairs has vide notification dated 12 August 2024 notified Companies (Indian Accounting Standards) Amendment Rules, 2024 (the ‘Rules’) which amends certain accounting standards, and are effective from the date of their publication in the Official Gazette. The Rules predominantly amend IND AS 101, First-time Adoption of Indian Accounting Standards, IND AS 103, Business Combinations, IND AS 105, Non-current Assets Held for Sale and Discontinued Operations, IND AS 107, Financial Instruments: Disclosures, IND AS 109, Financial Instruments, and IND AS 115, Revenue from Contracts with Customers. The other amendments to Ind AS notified by these rules are primarily to Omit IND AS, 17 and Insert new standard IND AS, 117 Insurance contracts. These amendments are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

Notes to the Financial Statements as of and for the year ended 31 March 2023

(v) Going concern

The Company has been incurring losses and its net worth has eroded to the extent of accumulated losses amounting to INR 38,430 million (31 March 2022: INR 34,046 million) and its current liabilities exceeded current assets by INR 4,097 million as at the year end (31 March 2022: INR 2,428 million). Management is taking steps to make the operations profitable and has further received a letter from Anheuser Busch InBev Asia BV, the Holding Company confirming financial and other support that will be available to the Company to settle its obligations as they arise and to continue in operations.

Accordingly, based on the above considerations and future cash flow projections, the Board of Directors have considered it appropriate to prepare these financial statements on a going concern basis.

2.2 Foreign currency translation

Functional and presentation currency

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

Transactions and balances

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

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

2.3 Revenue recognition

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

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

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

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

Revenue from manufacture and sale of products from contract bottling arrangements

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

Royalty Income

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

Financing Components

The company does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the company does not adjust any of the transaction prices for the time value of money.

2.4 Government grants

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

Notes to the Financial Statements as of and for the year ended 31 March 2023

2.5 Income taxes

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

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

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

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

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

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

2.6 Leases

As a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components.

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

- fixed payments (including in-substance fixed payments)

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

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

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

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

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs
- restoration costs.

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

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

2.7 Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to

Notes to the Financial Statements as of and for the year ended 31 March 2023

the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All expenses in the nature of repairs and maintenance are charged to Statement of profit and loss during the reporting period in which they are incurred.

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

Transition to Ind AS

On transition to Ind AS effective 1 April 2016, the Company has elected to continue with the net carrying value of all its property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

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

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

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

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 in certain instances is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Disposals

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

2.8 Assets classified as held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred

tax assets, assets arising from employee benefits and financial assets, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

2.9 Intangible assets

Recognition and measurement

Brands

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

Computer software

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

- it is technically feasible to complete the software so that it will be available for use,
- there is an ability to use or sell the software,
- it can be demonstrated that the software will generate probable future economic benefits,
- adequate technical, financial and other resources to complete the development and to use the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

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

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.

Notes to the Financial Statements as of and for the year ended 31 March 2023

Transition to Ind AS

On transition to Ind AS effective 1 April 2016, the Company has elected to continue with the net carrying value of all its intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of the intangible assets.

Amortisation method and useful lives

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

Asset	Useful life (in years)
Brands	20
Computer Software	4-5

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

2.10 Impairment of assets

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

2.11 Inventories

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

2.12 Cash and cash equivalents

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

2.13 Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

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

(iii) Post-employment obligations

Defined contribution plan

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

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount

Notes to the Financial Statements as of and for the year ended 31 March 2023

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.

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

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

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

(iv) Group share based payment arrangements

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

2.14 Provisions and contingencies

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount

can be reliably estimated. A provision is made in respect of onerous contracts, i.e., contracts in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contracts. Provisions are not recognised for other future operating losses. The carrying amounts of provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

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

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

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

2.15 Borrowings

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

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

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

Notes to the Financial Statements as of and for the year ended 31 March 2023

2.16 Borrowing cost

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

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

2.17 Financial Instruments

A) Financial Assets:

a) Recognition and measurement

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

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

Debt instruments

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

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

i) Investment in preference shares (which are considered debt instruments)

The Company subsequently measures the investment in preference shares at fair value through profit or loss as the business model does not meet the SPPI condition.

ii) Trade Receivables:

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects Company’s unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they

do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the Effective Interest Rate method (EIR), less loss allowance.

iii) Loans

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

iv) Other financial assets:

On initial recognition, Other financial assets are measured at fair value, and subsequently, measured at the amortised cost, less impairment if any. Loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

b) Derecognition

‘The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

c) Impairment of financial assets

‘The Company applies Expected Credit Loss (ECL) model for measurement and recognition of loss allowance on Trade receivables and other financial assets measured at amortised cost.

In case of trade receivables, the Company follows the simplified credit loss model (as permitted by Ind AS 109) wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

In case of other financial assets, the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Notes to the Financial Statements as of and for the year ended 31 March 2023

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

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

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

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

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

d) Income recognition

'Dividend income on investments is recognised and accounted for when the right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

Interest income is accounted for on a time-proportion basis using effective interest rate method taking into account the amounts invested and the rate of interest, except for financial assets that subsequently become credit impaired.

B) Financial Liabilities:

a) Recognition and measurement

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

Trade and other payables

'In case of trade and other payables, they

are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest rate method.

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

b) Derecognition

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

C) Offsetting of financial instruments

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

2.18 Derivative financial instruments

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

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in profit or loss.

For the purpose of presentation, gains/losses arising on fair valuation of derivative financial instruments for hedging risk relating to foreign currency borrowings are included within 'finance costs'.

2.19 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company has a strategic steering committee which assesses the financial performance and position of the Company and makes strategic decisions. The steering committee, which has been identified as being the chief operating decision maker,

Notes to the Financial Statements as of and for the year ended 31 March 2023

consists of the whole time directors, the Chief Financial Officer and other senior management team members assesses the financial performance and position of the Company and makes strategic decisions. Refer Note 38 for segment information presented.

2.20 Earnings/ loss per share (EPS)

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

2.21 Rounding of amounts

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

3 Critical estimates and judgements

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

The areas involving critical estimates/judgements are:

- Provision for indirect tax and other legal matters and contingent liabilities – refer note 30 and 40
- Impairment of property, plant and equipment, including capital work in progress and intangible assets – refer note 4A(iv)

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

Notes to the Financial Statements as of and for the year ended 31 March 2023

4A Property, plant and equipment

(INR Million)

Particulars	Owned								Total
	Freehold land	Buildings [refer note (i) below]	Leasehold improvements [refer note (ix) below]	Plant and equipment	Computers	Furniture and fixtures	Vehicles	Office equipment	
Gross carrying amount									
Balance as at 1 April 2021	906	3,855	0	13,451	192	157	111	48	18,720
Additions	-	16	-	1,245	16	6	-	13	1,296
Disposals	(51)	(114)	-	(495)	(4)	(1)	(12)	(1)	(678)
Assets classified as held for sale (refer note 10)	(13)	(288)	-	(688)	-	(3)	(5)	(0)	(997)
Balance as at 31 March 2022	842	3,469	0	13,513	204	159	94	60	18,341
Balance as at 1 April 2022	842	3,469	0	13,513	204	159	94	60	18,341
Additions	20	135	-	511	21	5	5	5	702
Disposals	-	(1)	-	(68)	-	(35)	(8)	(0)	(112)
Other adjustments [Refer note (v) below]	-	26	-	649	57	14	(23)	9	732
Balance as at 31 March 2023	862	3,629	0	14,605	282	143	68	74	19,663
Accumulated depreciation:									
Balance as at 1 April 2021	-	897	0	6,183	120	102	77	43	7,422
Depreciation for the year	-	264	-	1,256	45	48	10	3	1,626
Disposals	-	(43)	-	(311)	(4)	(1)	(5)	(1)	(365)
Assets classified as held for sale (refer note 10)	-	(77)	-	(458)	-	(3)	(5)	(0)	(543)
Balance as at 31 March 2022	-	1,041	0	6,670	161	146	77	45	8,140
Balance as at 1 April 2022	-	1,041	0	6,670	161	146	77	45	8,140
Depreciation for the year	-	162	-	1,174	39	7	9	5	1,396
Disposals	-	(1)	-	(61)	-	(35)	(8)	(0)	(105)
Other adjustments [Refer note (v) below]	-	26	-	649	57	14	(23)	9	732
Balance as at 31 March 2023	-	1,228	0	8,432	257	132	55	59	10,163
Net Carrying amounts:									
As at 31 March 2022	842	2,428	-	6,843	43	13	17	15	10,201
As at 31 March 2023	862	2,401	-	6,173	25	11	13	15	9,500

Notes:

- i) Includes building constructed on leasehold land aggregating to net carrying amounts of INR 573 million (31 March 2022: INR 612 million).
- ii) The Property, plant and equipment are physically verified by the company according to a phased programme designed to cover all the items over a period of three years. Pursuant to such programme, the company has physically verified a portion of the property, plant and equipment during the year and discrepancies noted, which were not material and are properly dealt with in the books of account.

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

4A Property, plant and equipment (Contd.)

iii) Title deeds

Refer details in table below for freehold land, leasehold land and buildings thereon (included under Note 4A and 4B), for which the title deeds are held in the name of the erstwhile entities which were amalgamated with the Company in prior years along with details of the immovable properties for which original title deeds are not in possession of the Company. However, the Company is in possession of other collaborative documents to evidence the ownership of such immovable properties.

Description of property	Held in the name of (erstwhile amalgamated Companies)	Whether promoter, director or their relative or employee	As at 31 March 2023			As at 31 March 2022		
			Gross carrying value (INR millions)	Net carrying value (INR millions)	Period held (in years)	Gross carrying value (INR millions)	Net carrying value (INR millions)	Period held (in years)
Freehold land in Haryana	Haryana Breweries and SKOL Breweries Limited	No	340	340	48	340	340	47
Freehold land in Mysore	SPR Distilleries Private Limited	No	378	378	6	378	378	5
Freehold land in Telangana (*)	Charminar Breweries Limited and SKOL Breweries Limited	No	52	52	25	52	52	24
Freehold land in Uttar Pradesh (*)	Central Distilleries Works Limited	No	92	92	36	72	72	35
Freehold land in Odisha (Refer note (vi) below)	East Coast Breweries and Distilleries Limited	No	-	-	-	0	0	26
Freehold land in Puducherry [refer note 4A(vi)]	Sica Breweries Limited	No	-	-	-	-	-	-
Freehold land in Kerala (Refer note (vi) below)	Malabar Breweries Limited	No	-	-	-	13	13	21
Leasehold land in Rajasthan	Rochees Breweries Limited	No	32	11	29	32	11	28
Leasehold land in Rajasthan (*)	Rochees Breweries Limited	No	31	12	12	31	12	11
Leasehold land in Aurangabad - Plot No. L-5, Waluj	PALS Distilleries Limited	No	115	82	29	115	83	28
Leasehold land in Aurangabad - Plot No. M-99, Waluj	Foster's India Limited	No	98	69	27	98	70	26
Building in Haryana	Haryana Breweries and SKOL Breweries Limited	No	655	434	14	648	452	13
Building in Mysore	SPR Distilleries Private Limited	No	1,321	959	5	1,178	885	4
Building in Telangana (*)	Charminar Breweries Limited and SKOL Breweries Limited	No	660	401	29	653	421	28
Building in Uttar Pradesh (*)	Central Distilleries Works Limited	No	48	33	36	47	34	35
Building in Odisha (Refer note (vi) below)	East Coast Breweries and Distilleries Limited	No	-	-	-	190	145	43
Building in Puducherry [refer note 4A(vi)]	Sica Breweries Limited	No	-	-	-	-	-	-
Building in Kerala (Refer note (vi) below)	Malabar Breweries Limited	No	-	-	-	98	66	18
Building in Rajasthan (*)	Rochees Breweries Limited	No	366	248	24	366	265	23
Building in Aurangabad - Plot No. L-5, Waluj	PALS Distilleries Limited	No	342	223	27	340	238	26
Building in Aurangabad - Plot No. M-99, Waluj	Foster's India Limited	No	165	102	24	165	109	23

(*) Original title deeds for immovable properties are not in physical possession of the Company.

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

4A Property, plant and equipment (Contd.)

iv) Year ended 31 March 2023

The Company has incurred losses during the year and accordingly, the management has performed an assessment for impairment of the carrying value of its property, plant and equipment, right-of-use assets, capital work in progress and intangible assets, aggregating to INR 11,952 million as at 31 March 2023. The management has identified the Company as a whole as the Cash Generating Unit ("CGU")

The Company has determined the recoverable amount of its property, plant and equipment, being the estimated fair value less cost of disposals. The fair value has been determined using the sales comparison method and depreciated replacement cost method by an independent expert appointed by the Company.

Based on the fair value determined by the expert, the recoverable value of its property, plant and equipment, exceeds the carrying value of the CGU and accordingly no impairment under Ind AS 36 needs to be recorded as of 31 March 2023.

Any reasonable change in the key assumptions is not expected to have a material effect on the recoverable value leading to an impairment loss.

Year ended 31 March 2022

The Company has performed an assessment for impairment of the carrying value of its property, plant and equipment, right-of-use assets, capital work in progress and intangible assets, aggregating to INR 12,262 million as at 31 March 2022 (31 March 2021: INR 13,693 million). The management has identified the Company as a whole as the Cash Generating Unit ("CGU"). The Management has taken various initiatives for the purpose of achieving revenue growth through localisation of a few premium brands and cost reduction of the raw material and packing materials through improved product mix, procurement of indigenous materials and other productivity measures. This has contributed to significant revenue growth and reduction of the losses in subsequent years.

The Management has considered a time frame of 9 years (31 March 2021: 10 years) for these projections based on the average remaining useful life of various plants, wherein a CAGR of 40.0% for the next 2 years, 4.3% for the next 3 years and nil thereafter (31 March 2021: CAGR of 37.2% for the next 2 years, 8.1% for the next 5 years and nil thereafter) for revenue growth and a gross margin improvement of 3.5% for the next 2 years, 1.5% for the next 3 years and nil thereafter (31 March 2021: 10.6% for the next 2 years, 1.3% for the next 5 years and nil thereafter) have been considered. The discount rate considered for the purpose of calculating the present value of future cash flows has been determined based on post tax weighted average cost of capital at 14.0% (31 March 2021: 12.8%).

The Management is confident of being able to achieve the projected results through the above ongoing and planned initiatives. Based on the projected cash flows, the Management believes that the recoverable value of its property, plant and equipment, including right-of-assets, capital work in progress and intangible assets, exceeds the carrying value and accordingly no impairment under Ind AS 36 needs to be recorded as of 31 March 2022.

Any reasonable change in the key assumptions are not expected to have a material effect on the recoverable value leading to an impairment loss.

- v) On transition to Ind AS effective 1 April 2016, the net carrying amounts of property, plant and equipment and intangible assets as at 31 March 2015 was considered as the deemed cost and presented as the gross block as at 1 April 2015. However, the Fixed Asset Register continued to reflect the original costs of the assets as the gross block value and the accumulated depreciation/amortisation prior to adoption of Ind AS and did not have the details of the deemed cost considered under Ind AS at the time of initial adoption till the end of previous years.

During the current year, the company has performed reconciliation of original costs and deemed costs and based on such reconciliation, necessary adjustments (which had no impact on the net carrying value) have been made in the financial statements for the year ended 31 March 2023.

vi) Year ended 31 March 2023

During the current year, the Company has sold its breweries (including land and Building) located in Odisha and Kerala to a third party for INR 911 million, which were classified as assets classified as held for sale as of 31 March 2022. The net surplus from the sale of the above breweries amounting to INR 426 million have been recognised as 'Gain on sale of property, plant and equipment' and INR 31 million has been recognised as 'miscellaneous income' under note 22 'Other income' in the Statement of Profit and Loss.

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

Year ended 31 March 2022

During the year ended 31 March 2022, the Company had sold/ transferred its brewery (including land and Building) located in Puducherry to a third party vide sale agreement dated 28 December 2021 for INR 700 million. The net surplus from the sale of the above brewery to the tune of INR 423 million have been recognised as 'Gain on sale of property, plant and equipment' and INR 21 million has been recognised as 'miscellaneous income' under note 22 'Other income' in the Statement of Profit and Loss. Also, refer note 10 for details regarding assets classified as held for sale.

- vii) During the current year, the Company has entered into a sale and leaseback transaction with a third party in respect to certain plant and equipment which is further described in Note 17.
- viii) There are no property, plant and equipments which are pledged by the Company during the current and previous year.
- ix) Includes assets that are in use by the Company and are fully depreciated as at the end of current year and previous year.
- x) Refer note 31 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

4B Leases

This note provides information for leases where the Company is a lessee. The Company takes land, buildings (offices and warehouses) and Plant and equipment on lease. Lease contracts are typically entered into for 40 to 95 years for leasehold land, for periods of 1.5 to 5 years for buildings and for period of 6 years for plant and equipment, and may have extension options as described in Note (a) below.

Amounts recognised in Balance sheet:

(i) Movement in Right-of-use assets

Gross Block	Buildings	Leasehold land	Plant and equipment	Total
As at 1 April 2021	381	101	939	1,421
Additions	43	175	574	792
As at 31 March 2022	424	276	1,513	2,213
As at 1 April 2022	424	276	1,513	2,213
Additions	191	-	18	209
As at 31 March 2023	615	276	1,531	2,422

Accumulated depreciation	Buildings	Leasehold land	Plant and equipment	Total
As at 1 April 2021	150	44	46	240
Charge for the year	90	56	220	366
As at 31 March 2022	240	100	266	606
As at 1 April 2022	240	100	266	606
Charge for the year	104	2	269	375
As at 31 March 2023	344	102	535	981
Net carrying amounts as at 31 March 2022	184	176	1,247	1,607
Net carrying amounts as at 31 March 2023	271	174	996	1,441

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

(ii) Movement in lease liabilities

Particulars	Lease Liability
Lease liabilities as at 1 April 2021	1,156
Acquisitions- Leases	609
Interest expense	119
Payment of interest element of leases	(119)
Payment of principal element of leases	(232)
Lease liabilities as at 31 March 2022	1,533
Lease liabilities as at 1 April 2022	1,533
Acquisitions- Leases	206
Interest expense	132
Payment of interest element of leases	(132)
Payment of principal element of leases	(330)
Lease liabilities as at 31 March 2023	1,409

	As at 31 March 2023	As at 31 March 2022
Lease Liabilities		
Current	331	321
Non-current	1,078	1,212
Total	1,409	1,533

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

	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Depreciation charge of right-of-use assets	27	375	366
(b) Interest expenses (included in finance cost)	26	132	119
(c) Lease related expenses included in Rent expenses	28		
Short term leases		203	106
Variable lease payments (not included in lease liabilities)		53	27
		256	133

(iv) The total cash outflow for leases (including interest) for the year was INR 718 million (31 March 2022: INR 484 million).

Notes:

(a) Extension and termination options

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

(b) All the lease agreements relating to leasehold land and buildings where the company is the lessee, the lease agreements are duly executed in favour of the Company, except for the leasehold lands for which the lease agreements are executed in favour of the erstwhile entities which were amalgamated with the Company in prior years. Refer note 4A(iii).

(c) Certain leases contain variable payment terms that are linked to actual usage of space for production, distribution and warehouse management. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base. Variable lease payments are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

4C Capital work-in-progress

Particulars	As at 31 March 2023	As at 31 March 2022
Project in progress	805	143
Projects temporarily suspended	-	-
Total	805	143

Movement of capital work-in-progress

Particulars	As at 31 March 2023	As at 31 March 2022
Opening capital work-in-progress	143	267
Additions	1,364	1,172
Assets capitalised during the year	(702)	(1,296)
Closing capital work-in-progress	805	143

(a) Capital work-in-progress ageing schedule

Particulars	Amount in capital work-in-progress for the period				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
March 31, 2023					
- Project in progress	794	8	3	-	805
- Projects temporarily suspended	-	-	-	-	-
Total	794	8	3	-	805
March 31, 2022					
- Project in progress	103	32	8	-	143
- Projects temporarily suspended	-	-	-	-	-
Total	103	32	8	-	143

(b) There are no items of capital-work-in progress as at 31 March 2023 and 31 March 2022, whose completion is overdue or has exceeded its cost compared to its original plan.

(c) The balances in capital work-in-progress as at 31 March 2023 and 31 March 2022 primarily comprises of projects pertaining to expansion and enhancement of brewing capacity at various breweries and warehouses.

4D Intangible assets

Particulars	Brands (acquired) (*)	Computer software (acquired)	Total
Gross carrying amount:			
Balance as at 1 April 2021	1,840	348	2,188
Additions	-	12	12
Disposals	(934)	-	(934)
Balance as at 31 March 2022	906	360	1,266
Balance as at 1 April 2022	906	360	1,266
Additions	-	-	-
Disposals	(28)	-	(28)
Balance as at 31 March 2023	878	360	1,238
Accumulated amortisation:			
Balance as at 1 April 2021	1,027	214	1,241
Amortisation for the year	161	105	266
Disposals	(552)	-	(552)

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

4D Intangible assets (Contd.)

Particulars	Brands (acquired) (*)	Computer software (acquired)	Total
Balance as at 31 March 2022	636	319	955
Balance as at 1 April 2022	636	319	955
Amortisation for the year	87	18	105
Disposals	(28)	-	(28)
Balance as at 31 March 2023	695	337	1,032
Carrying amounts (net):			
As at 31 March 2022	270	41	311
As at 31 March 2023	183	23	206

(*) includes the following brands: Haywards and Royal Challenge (31 March 2022: Haywards and Royal Challenge)

Notes:

- (i) Remaining useful life as at the year end are as below:
Brands - 2 to 3 years (31 March 2022 - 3 to 4 years)
Software - 1 to 4 years (31 March 2022 - 1 to 4 years)
- (ii) During the previous year, Company has transferred/assigned right, title and interest in the brand "Foster's" and the associated intellectual property to a third party on 23 December 2021 for INR 750 million. The net surplus from the stated transfer amounting to INR 368 million has been recognised as 'Gain on sale of brand' under note 22 'Other income' in the Statement of Profit and Loss for the year ended 31 March 2022.
- (iii) Also, refer Notes 4A(iv).
- (iv) There are no intangible assets which are pledged by the Company during the current and previous year.

5. current financial investments

investment

Particulars	As at 31 March 2023	As at 31 March 2022
Investment in preference shares (fully paid-up)		
Unquoted		
15,000,000 (31 March 2022: Nil) 8% Non cumulative Redeemable Preference Shares of INR 10 each [Refer note (i) below]	144	-
	144	-
Aggregate value of unquoted investments	144	-

Note:

- (i) Consequent to the approval from the Board of Directors in its meeting held on 13 May 2022, the Company has acquired 15,000,000 8% Non cumulative Redeemable Preference Shares of INR 10 each of Skol Beer Manufacturing Company Limited ("SBMC"), a fellow subsidiary from Anheuser Busch InBev Breweries Private Limited ("ABIBPL"), a fellow subsidiary, for an aggregate consideration of INR 0 million in the month of September 2022.

The preference shares were recorded at its fair value of INR 144 million and the difference between the fair value and the consideration paid of INR 0 million has been taken to capital contribution under other equity.

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

5. current financial investments (Contd.)

SBMC has filed an application for liquidation in accordance with the requirements of the Act. Subsequent to the year end, the Company has received communications dated 25 March 2024 from the official liquidator of SBMC confirming distribution of the net assets of SBMC to the Company towards its holding of preference shares amounting to INR 150 million in SBMC. Accordingly, the loan receivable in the books of SBMC from the Company amounting to INR 135 million (Note 16B) stands adjusted and the investment in equity shares of MBL Breweries Limited ("MBL"), a fellow subsidiary, in the books of SBMC amounting to INR 9 million, also stands transferred to the Company towards the preference shares dues.

6 Non-current loans

Particulars	As at 31 March 2023	As at 31 March 2022
Loans to related parties [refer note 34 and note (i) and (ii) below]	-	147
Less: Loss allowance		
- Loans to related parties	-	(147)
	-	(147)
	-	-

6 Non-current loans (Contd.)

Break up of security details

Particulars	As at 31 March 2023	As at 31 March 2022
Loans considered good - secured	-	-
Loans considered good - unsecured	-	-
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	147
Total	-	147
Less: Loss allowance	-	(147)
	-	-

Notes:

- (i) During the year ended 31 March 2020, the Company had granted an unsecured loan for general purpose amounting to INR 145 million to SKOL Global Business Services Private Limited, a fellow subsidiary, at an interest of 9.5% per annum repayable on 1 May 2022. The financial statements of the fellow subsidiary are drawn on a liquidation basis. Based on the evaluation of the said fellow subsidiary and its inability to repay the loan, receivable balance including opening accrued interest were considered doubtful and loss allowances had been created for the entire balance as at 31 March 2021. During the current year, consequent to the requisite approval from the Board of Directors, the said loan and accrued interest thereon has been written off in the books of the Company in July 2022. In relation to this loan, the Company has not accrued any interest income for the year.

The Company has filed an application dated 25 July 2024 under Section 450 of the Act for adjudicating the offence with the Registrar of Companies, Mumbai and is currently awaiting a response.

- (ii) During the earlier year, the Company had granted an unsecured loan for general purpose amounting to INR 2 million to Anheuser Busch InBev Breweries Private Limited, a related party, at an interest of 9% per annum repayable on 31 May 2022. The financial statements of the fellow subsidiary are drawn on a liquidation basis. Based on the evaluation of the said fellow subsidiary and its inability to repay the loan, receivable balance including opening accrued interest were considered doubtful and loss allowances had been created for the entire balance as at 31 March 2021. During the current year, consequent to the requisite approval from the Board of Directors, the said loan and accrued interest thereon has been written off in the books of the Company in July 2022. In relation to this loan, the Company has not accrued any interest income for the year.

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

7 Other financial assets

A. Other non-current financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Rental deposits	47	48
Security deposits	300	242
Bank deposits due to mature after 12 months from the reporting date (refer note below)	46	96
Receivable from contract bottlers	346	359
	739	745
Less: Loss allowance		
- Rental deposits	(22)	(22)
- Security deposits	(205)	(205)
- Receivable from contract bottlers	(346)	(359)
	(573)	(586)
	166	159

Note: Held as lien by bank against bank guarantees.

B. Other current financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured		
Non-trade receivable from related parties (refer note 34)	66	45
Interest accrued but not due from related parties [refer note 34 and 6(i)]	-	6
	66	51
Less: Loss allowance		
- Interest accrued but not due from related parties [refer note 34 and 6(i)]	-	(6)
	66	45

8 Current tax assets (net)

Particulars	As at 31 March 2023	As at 31 March 2022
Others		
Advance income tax and tax deducted at source	34	75
	34	75

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

9 Other assets

A. Other non-current assets

Particulars	As at 31 March 2023	As at 31 March 2022
Capital advances		
Considered good	18	10
Considered doubtful	38	38
Balances with government authorities and others (Paid under protest- Indirect tax and legal matters)		
Considered good	1,086	1,010
Prepaid expenses	23	37
Duty drawback receivable		
Considered doubtful	-	9
	1,165	1,104
Less: Allowance for doubtful balances	(38)	(47)
	1,127	1,057

B. Other current assets

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with excise and other government authorities		
Considered good	1,348	1,290
Considered doubtful	383	376
Advances to suppliers		
Considered good	157	125
Considered doubtful	146	96
Advance to employees	5	5
Prepaid expenses	348	291
	2,387	2,183
Less: Allowance for doubtful balances	(529)	(472)
	1,858	1,711

10 Assets classified as held for sale [Refer note 4A(vi)]

Particulars	As at 31 March 2023	As at 31 March 2022
Freehold land	-	13
Buildings	-	211
Plant and equipment	-	230
Furniture and fixtures	-	0
Vehicles	-	0
	-	454

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

11 Inventories

(Valued at lower of cost and net realisable value)

Particulars	As at 31 March 2023	As at 31 March 2022
Raw materials and Packing materials [Including goods in transit INR 1,420 million (31 March 2022: INR 156 million)]	4,449	2,237
Work-in-progress	1,722	803
Finished goods [Including goods in transit INR 379 million (31 March 2022: INR 394 million)]	3,729	2,739
Stock-in-trade [Including goods in transit INR 37 million (31 March 2022: INR Nil)]	144	-
Stores and spares [Including goods in transit INR 6 million (31 March 2022: INR 14 million)]	425	328
	10,469	6,107

Notes:

- (a) Write-downs of inventories to net realisable value amounted to INR 267 million for the year (31 March 2022: INR 413 million). These were recognised as an expense during the year and included in 'Cost of material consumed' and 'Consumption of stores and spare parts' in the statement of profit and loss towards slow/ non-moving/ expired inventory, being raw materials, packing materials, stores and spares and finished goods.
- (b) Inventories include inventory held by distributors INR Nil (31 March 2022: INR 100 million), inventories held by job workers amounting to INR 1,876 million (31 March 2022: INR 429 million), inventories held by state beverage corporations amounting to INR 1,056 million (31 March 2022: INR 1,130 million) and inventories which are in transit to the state beverage corporations amounting to INR 379 million (31 March 2022: INR 394 million). The management has performed confirmation/ reconciliation of these inventory balances as at the year end.

12 Trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022
From Contracts with customers	8,168	6,405
	8,168	6,405
Less: Loss allowance	(2,026)	(2,004)
Total trade receivables	6,142	4,401

Details of securities/ categorisation of credit risk of trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022
Trade Receivables considered good - secured	-	-
Trade Receivables considered good - unsecured	7,804	6,176
Trade Receivables which have significant increase in credit risk	364	229
Trade Receivables - credit impaired	-	-
	8,168	6,405
Less: Loss allowance	(2,026)	(2,004)
Total trade receivables	6,142	4,401

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

12 Trade receivables (Contd.)

Aging of trade receivables:

Particulars	Outstanding for following periods from the due date						Total
	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2023							
Undisputed trade receivables:							
- considered good	4,159	2,071	72	153	116	1,233	7,804
- which have significant increase in credit risk	-	-	258	-	-	58	316
- credit impaired	-	-	-	-	-	-	-
Disputed trade receivables:							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	48	48
- credit impaired	-	-	-	-	-	-	-
Total	4,159	2,071	330	153	116	1,339	8,168

As at 31 March 2022

Undisputed trade receivables:

- considered good	3,739	724	122	118	271	1,202	6,176
- which have significant increase in credit risk	-	-	-	-	-	181	181
- credit impaired	-	-	-	-	-	-	-

Disputed trade receivables:

- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	48	48
- credit impaired	-	-	-	-	-	-	-
Total	3,739	724	122	118	271	1,431	6,405

Refer Note 43 for information about financial risk management.

13A Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with banks		
In current accounts	1,817	335
In exchange earners foreign currency account	56	77
Deposits with maturity less than three months	-	98
	1,873	510

Note: There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

13B Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Bank deposits due to mature within 12 months from the reporting date (refer note below)	54	-
	54	-

Note: Held as lien by bank against bank guarantees.

14 Equity share capital

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised		
150,00,00,000 (31 March 2022: 150,00,00,000) equity shares of INR 10 each	15,000	15,000
Issued, subscribed and fully paid up		
92,84,22,803 (31 March 2022: 89,73,95,960) equity shares of INR 10 each	9,284	8,974

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	No of shares	Amount	No of shares	Amount
Balance at the beginning of the year	89,73,95,960	8,974	61,65,77,878	6,166
Add: equity shares issued during the year				
- consideration received in cash [Refer notes (i) and (ii) below]	3,10,26,843	310	11,79,25,000	1,179
- conversion of External Commercial Borrowings (ECB) [Refer note (iii) below]	-	-	16,28,93,082	1,629
Balance at the end of the year	92,84,22,803	9,284	89,73,95,960	8,974

Notes:

- (i) Consequent to the shareholders approval at the Extraordinary General Meeting of the Company on 2 March 2023, the Company has issued 3,10,26,843 equity shares of INR 10 each on 15 March 2023 to Anheuser Busch InBev Asia B.V. at a premium of INR 56.00 per share aggregating to INR 2,048 million by way of a cash consideration on a private placement basis under Section 42 of the Act.
- (ii) Consequent to the shareholders approval at the Extraordinary General Meeting of the Company, the Company has issued 11,79,25,000 equity shares of INR 10 each on 22 December 2021 to Anheuser Busch InBev Asia B.V. at a premium of INR 37.70 per share aggregating to INR 5,625 million by way of a cash consideration on a private placement basis under Section 42 of the Act.
- (iii) Pursuant to the approval from members in the Extraordinary General Meeting ('EGM') held on 30 November 2021 for issuance of 16,28,93,082 equity shares of INR 10 each at a premium of INR 37.70 per equity share aggregating to INR 7,770 million by way of conversion of the existing External Commercial Borrowings of USD 105 million, the Company has allotted the equity shares at the meeting of the Board of Directors held on 22 December 2021 to Anheuser Busch InBev Asia B.V..

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

14 Equity share capital (Contd.)

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

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

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

Name of the shareholder	As at 31 March 2023		As at 31 March 2022	
	% of holding	No of shares	% of holding	No of shares
Anheuser Busch InBev Asia B.V., Holding Company	83.73%	77,73,38,105	83.16%	74,63,11,262
Anheuser Busch InBev Breweries Private Limited, India	15.30%	14,20,76,253	15.83%	14,20,76,253

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

Particulars	As at 31 March 2023	As at 31 March 2022
Anheuser Busch InBev Asia B.V., Holding Company	77,73,38,105	74,63,11,262
Anheuser Busch InBev Breweries Private Limited, Fellow subsidiary	14,20,76,253	14,20,76,253
SABMiller India Holdings, Fellow subsidiary	55,90,817	55,90,817
Austindia Pty Ltd, Fellow subsidiary	-	16,51,174

(e) Details of Promoter shareholding and changes in Promoter shareholding in the Company:

Particulars	As at March 31, 2023		As at March 31, 2022		% change during the year
	No. of shares	% of holding	No. of shares	% of holding	
Anheuser Busch InBev Asia B.V., Holding Co	77,73,38,105	83.73%	74,63,11,262	83.16%	0.57%
Anheuser Busch InBev Breweries Private Limited, Fellow subsidiary	14,20,76,253	15.30%	14,20,76,253	15.83%	-0.53%
SABMiller India Holdings, Fellow subsidiary	55,90,817	0.60%	55,90,817	0.62%	-0.02%
Austindia Pty Ltd, Fellow subsidiary [refer note below]	-	-	16,51,174	0.18%	-0.18%

Note: Consequent to the approval from the Board of Directors dated 13 May 2022, the category of shareholder has prospectively been changed from 'Promoter' to 'Public' and accordingly, the details of promoter shareholding as at 31 March 2023 is disclosed as Nil.

(f) There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestments and there are no shares which are forfeited during the year or prior years.

(g) During the period of five years immediately preceding 31 March 2023, no shares have been allotted as fully paid up by way of bonus shares or pursuant to contract(s) without payment being received in cash, except for the issue of equity shares by way of conversion of ECB during the previous financial year. Further, the Company has not bought back any shares during five immediately preceding financial years.

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

15 Other equity

Reserves and Surplus:

Particulars	As at 31 March 2023	As at 31 March 2022
Capital reserve		
At the commencement of the year	(19)	(19)
At the end of the year	(19)	(19)
Securities premium		
At the commencement of the year	33,088	22,504
Add: Additions during the year		
- consideration received in cash	1,738	4,446
- conversion of ECB	-	6,141
Less: Amount utilised for share issue expenses	(6)	(3)
At the end of the year	34,820	33,088
Amalgamation adjustment reserve / (deficit) account		
At the commencement of the year	(1,030)	(1,030)
At the end of the year	(1,030)	(1,030)
General reserve		
At the commencement of the year	1,218	1,218
At the end of the year	1,218	1,218
Equity contribution by parent company in the form of Employee Stock Options ("ESOP") and Restricted Stock Units ("RSU") (Refer Note 44)		
At the commencement of the year	1,341	1,215
Add: Additions during the year	55	126
At the end of the year	1,396	1,341
Capital contribution [Refer Note 5(i)]		
At the commencement of the year	-	-
Add: Additions during the year	144	-
At the end of the year	144	-
Retained earnings		
At the commencement of the year	(34,046)	(30,386)
Add: Loss for the year	(4,389)	(3,653)
Add: Other comprehensive income	5	(7)
At the end of the year	(38,430)	(34,046)
	(1,901)	552

Nature and purpose of other reserves:

Capital reserve:

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

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.

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

15 Other equity (Contd.)

Amalgamation adjustment reserve / (deficit) account:

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

General reserve:

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

Equity contribution by parent company in the form of ESOP and RSU:

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

Capital contribution

Refer Note 5(i) for details of nature and purpose of the reserve.

Retained earnings:

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

16 Borrowings

A. Non-current borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured		
Loans from related parties (refer note 34)		
- Term loans	146	136
'Less: Current maturities of Borrowings (Refer note 16B)		
- Term loans	(146)	(136)
	-	-

(a) Terms of repayment :

Particulars	Repayment terms	9% per annum, payable on maturity
Term loan from SKOL Beer Manufacturing Company Limited	Refer Note (b) below	9% per annum, payable on maturity

(b) Term loan from SKOL Beer Manufacturing Company Limited

The Company had taken loan from SKOL Beer Manufacturing Company Limited, a fellow subsidiary for general purpose amounting to INR 146 million (31 March 2022: INR 136 million) including accrued interest which was originally due for repayment on 1 April 2022. Vide a letter dated 1 April 2022, the parties have agreed an extension on the repayment date for this loan. The revised repayment date is 31 March 2024. The loan was applied for the purposes for which they were obtained by the Company.

Also, refer note 5(i).

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

16 Borrowings (Contd.)

A. Current borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured		
Working capital loan from banks	9,114	3,340
Current maturities of long term borrowing from a related party (refer note 16A and note 34)		
- Term loan	146	136
	9,260	3,476

Notes:

- (a) Working capital loan from banks are repayable on demand generally within 7 days - 270 days from the drawdown date. The interest is payable at 3.83% to 8.93% (31 March 2022: 3.85% to 4.30% p.a). There have been no defaults in repayment of principal and interest during the year ended 31 March 2023 and 31 March 2022. The Company has breached covenants as specified in the loan agreements in relation to submission of the audited financial statements within 60 days - 6 months from the close of the financial year, submission of unaudited financial statements within 90 days after the end of six months from each financial year, submission of quarterly operating statements within six weeks from the close of each quarter, submission of certificate confirming that the funds have been utilised for the purpose for which these have been taken and submission of stock and receivables statement on monthly basis respectively.

The company does not expect any additional interest or penalty obligation on account of above breaches.

- (b) In respect of certain borrowings, the intermediate parent entity has issued a Letter of Comfort to the banks.

Net debt reconciliation:

(ii) Movements in debt:	ECB from related party (*)	Term loans from related parties (*)	Lease liabilities	Financial liabilities towards sale and lease back	Working capital loan	Cash and cash equivalents	Net Debt
	A	B	C	D	E	F	(A+B+C+D+E-F)
Net debt as at 31 March 2021	7,768	684	1,156	-	6,152	516	15,244
Cash flows	-	-	-	-	-	(6)	6
Acquisition- leases	-	-	609	-	-	-	609
Net proceeds from / (Repayment of) borrowings	-	(445)	-	-	(2,812)	-	(3,257)
Conversion of ECB into equity	(7,770)	-	-	-	-	-	(7,770)
Restatement of loan	52	-	-	-	-	-	52
Interest expense (refer note 26)	149	43	119	-	224	-	535
Interest paid	(199)	(146)	(119)	-	(224)	-	(688)
Principal lease payments	-	-	(232)	-	-	-	(232)
Net debt as at 31 March 2022	-	136	1,533	-	3,340	510	4,499

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

16 Borrowings (Contd.)

(ii) Movements in debt:	ECB from related party (*)	Term loans from related parties (*)	Lease liabilities	Financial liabilities towards sale and lease back	Working capital loan	Cash and cash equivalents	Net Debt
	A	B	C	D	E	F	(A+B+C+D+E-F)
Cash flows	-	-	-	748	-	1,363	(615)
Acquisition- leases	-	-	206	-	-	-	206
Net proceeds from / (Repayment of) borrowings	-	-	-	-	5,774	-	5,774
Interest expense (refer note 26)	-	10	132	58	345	-	545
Interest paid	-	-	(132)	(58)	(345)	-	(535)
Principal lease payments	-	-	(330)	(68)	-	-	(398)
Net debt as at 31 March 2023	-	146	1,409	680	9,114	1,873	9,476

(*) Includes accrued interest

17 Other financial liabilities

A. Other non-current financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Capital creditors	113	135
Financial liabilities towards sale and lease back (refer note below)	348	-
	461	135

B. Other current financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Financial liabilities towards sale and lease back (refer note below)	332	-
Interest accrued and due on micro and small enterprises (refer note 39)	165	80
Capital creditors (refer note 39)	557	375
Deposit from customers and del-credere agents	80	80
Employee benefits payable	81	126
Payable towards trade schemes	523	440
	1,738	1,101

Notes:

The Company has entered into a sale and leaseback transaction in the current year with a third party in respect to certain plant and equipment. The transfer of assets does not meet definition of a sale under Ind AS 115 and hence the transaction is accounted for as a financing arrangement under Ind AS 109. Accordingly, the Company continues to recognise the said property, plant and equipment and has created a financial liability equal to the transfer proceeds in accordance with Ind AS 109. The said financial liability will be subsequently measured at amortised cost as per requirements of Ind AS 109.

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

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

18 Provisions

A. Non-current provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Employee benefits		
- Gratuity [Refer Note 35(ii)]	214	197
	214	197

B. Current provisions

Particulars	As at 31 March 2023	As at 31 March 2022
Employee benefits		
- Gratuity [Refer Note 35(ii)]	21	18
- Compensated absences (refer note below)	89	76
Provision for indirect tax and other legal matters (refer note 40)	2,510	2,325
	2,620	2,419

Note:

The provision for compensated absences covers the company's liability for earned leave and casual leave. The entire amount of the provision of INR 89 million (31 March 2022: INR 76 million) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months and the leave obligation not expected to be settled within the next 12 months is INR 63 million (31 March 2022: INR 54 million).

19 Other liabilities

A. Other non-current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred royalty income	7	7
Deferred government grants (refer note 33)	39	48
	46	55

B. Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Liability for excise duty on closing inventory (net of prepaid taxes)	334	397
Statutory liabilities	957	961
Contract liabilities (Advances from customers) (refer note below)	921	630
Advances received towards sale of property, plant and equipment	-	505
Deferred government grants (refer note 33)	9	10
Deferred royalty income	5	5
	2,226	2,508

Note:

Revenue recognised from amounts included in contract liabilities at the beginning of the year is INR 630 million (31 March 2022: INR 505 million).

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

20 Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
Dues to Micro and Small enterprises (refer note 39)	430	108
Dues to creditors other than Micro and Small enterprises		
Dues to related parties (refer note 34)	578	872
Others	7,520	4,851
	8,098	5,723
	8,528	5,831

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

(a) Aging of trade payables

Particulars	Unbilled	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2023						
Undisputed trade payables						
Micro and small enterprises	0	430	0	0	-	430
Others	1,114	6,880	42	12	46	8,094
Disputed trade payables						
Micro, small and medium enterprises	-	-	-	-	-	-
Others	-	-	-	-	4	4
Total	1,114	7,310	42	12	50	8,528
As at 31 March 2022						
Undisputed trade payables						
Micro and small enterprises	-	108	0	-	-	108
Others	675	4,898	61	36	49	5,719
Disputed trade payables						
Micro and small enterprises	-	-	-	-	-	-
Others	-	-	-	-	4	4
Total	675	5,006	61	36	53	5,831

21 Revenue from operations

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from contracts with customers		
Sale of products (includes excise duty)	61,105	35,566
Sale of services - Royalty income	90	39
	61,195	35,605
Other operating revenue		
Sale of spent malt and scrap	385	195
Sale of raw materials and packing materials	152	260
Duty draw back on exports	42	21
	579	476
	61,774	36,081

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

21 Revenue from operations (Contd.)

(a) Disaggregation of revenue from contracts with customers

Categories of products/services		
Beer	25,264	14,302
Beverages other than beer (alcoholic and non-alcoholic)	145	239
Add: Excise duty collected from customers	35,786	21,064
Revenue from sale of products	61,195	35,605

(b) Reconciliation of revenue recognised with contract price:

Contract price	66,306	38,719
Less: Items offset against revenue from contracts with customers as required under Ind AS 115	(5,111)	(3,114)
Revenue from sale of products	61,195	35,605

(c) Performance obligation for sale of products in case of state beverage corporation markets is satisfied at a point in time on sale to retailers/distributors, and in case of other markets, the performance obligation is satisfied at a point in time on dispatch of products from the Company's or contract bottling units/warehouses, except for certain distributors where the performance obligation is satisfied at a point in time on sale to retailers. Performance obligation for sale of services is satisfied over a period of time.

22 Other income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2024
Interest income on fixed deposits held at amortised cost	4	12
Unwinding of discount on security deposits	3	2
Interest on income tax refund	19	8
Release of deferred government grants (refer note 33)	10	10
Gain on sale of property, plant and equipment - net [refer note 4(A)(vi)]	426	420
Gain on sale of brand [refer note 4(D)(ii)]	-	368
Miscellaneous income	52	39
	514	860

23 Cost of materials consumed

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Raw materials and Packing materials consumed (net of reimbursements received INR 752 million (31 March 2022: Nil))	17,012	8,899
	17,012	8,899

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Opening inventory:		
Finished goods	2,739	2,319
Work-in-progress	803	629
Stock-in-trade	-	72
Total opening balance (A)	3,542	3,020
Less: Excise duty on opening stock	(979)	(989)
(b) Closing inventory:		
Finished goods	3,729	2,739
Work-in-progress	1,722	803
Stock-in-trade	144	-
Total closing balance (B)	5,595	3,542
Less: Excise duty on closing stock	(1,722)	(979)
Increase / (decrease) in excise duty on finished goods, net (C)	743	(10)
Total changes in inventories of finished goods, work-in-progress and stock-in-trade (A-B+C)	(1,310)	(532)

25 Employee benefits expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, wages and bonus	1,868	1,729
Contribution to provident and other funds [refer note 35(i)]	87	77
Gratuity [refer note 35(ii)]	41	37
Employee stock option expense (refer note 44)	55	126
Staff welfare expenses	258	171
	2,309	2,140

26 Finance costs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expense on borrowings at amortised cost		
- External Commercial Borrowings (ECB) from related parties (refer note 34)	-	149
- Working capital loan and overdrafts from banks	345	224
- Term loans from related parties (refer note 34)	10	43
Interest on derivative contracts	-	100
Interest charges on lease liabilities (refer note 4B)	132	119
Interest charges on financial liabilities towards sale and lease back	58	-
Exchange fluctuation on foreign currency borrowings, net	-	52
Gain on unwinding of derivative contracts	-	(78)
Interest on micro and small enterprises (refer note 39)	85	17
Interest others (net of reversals) (indirect taxes, etc.)	89	(437)
	719	190

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

27 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation of property, plant and equipment (refer note 4A)	1,396	1,626
Depreciation of right-of-use assets (refer note 4B)	375	366
Amortisation of intangible assets (refer note 4D)	105	266
	1,876	2,258

28 Other expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Consumption of stores and spare parts	586	422
Rent (refer note 4B)	256	133
Manpower services	655	385
Freight outward	2,156	1,105
Power and fuel	699	455
Selling and distribution charges	538	232
Advertisement and publicity	1,540	475
Rates and taxes	1,032	923
Legal, consultancy and professional charges	411	287
Auditors' remuneration (Refer note (a) below)	24	25
Travel and conveyance	138	142
Conversion charges paid to contract bottlers	146	81
Repairs and maintenance	68	147
- buildings	100	67
- plant and machinery	287	201
- others	267	231
Information technology and communication expenses	21	23
Insurance	130	54
Net foreign exchange differences	9	148
Loss allowance on trade receivables and other financial assets (net) [refer note 43(a)]	-	-
Bad and doubtful financial assets written off [net of reversal of provision INR 153 million (31 March 2022: INR 5 million)]	57	51
Allowance for doubtful non-financial assets (net of writeback)	-	30
Bad and doubtful advances written off [net of reversal of provision INR 9 million (31 March 2022: INR 91 million)]	324	308
'Miscellaneous expenses		
	9,444	5,925

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

28 Other expenses (Contd.)

(a) Auditor's remuneration as below (*):

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
As auditor		
- for statutory audit	23	24
Reimbursement of expenses	1	1
	24	25

(*). Excluding goods and services tax

29 Income tax

A. Amounts recognised in statement of profit and loss

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current income tax:		
Current income tax charge	-	-
Current tax pertaining to earlier years	-	-
	-	-
Deferred tax:		
<i>Attributable to -</i>		
Origination and reversal of temporary differences	-	-
	-	-
Income tax expense reported in the statement of profit or loss	-	-

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Net (gain)/ loss on remeasurement of defined benefit liability/ (assets)	-	-
Income tax charged to OCI	-	-

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(Loss) before tax	(4,389)	(3,653)
Enacted tax rate in India (%)	34.944%	34.944%
Expected computed tax expense/(credit)	(1,534)	(1,277)
Less: Expenses that are not deductible in determining taxable profit	(51)	(73)
Unrecognised deferred tax expense/(credit) on tax losses and other temporary differences	1,585	1,350
Income tax expense	-	-

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

D. Deferred tax balances as at year end:

As at year ended 31 March 2023 and 31 March 2022, the Company is having net deferred tax assets primarily comprising of brought forward losses under tax laws, unabsorbed depreciation, lease liabilities and other deductible temporary differences. However, deferred tax asset has not been created as it is not probable that taxable profit will be available in foreseeable future against which the unabsorbed business losses/ depreciation and other temporary differences can be utilised. Unabsorbed depreciation can be carried forward indefinitely. Business losses and other temporary differences can be carried forward for a period of 8 years from the year in which loss arose.

	As at 31 March 2023	As at 31 March 2022
Deferred tax liabilities:		
Difference between carrying amount of fixed assets in the financial statements and the income tax return	401	499
Right-of-use of asset	443	500
Assets classified as held for sale	-	159
Total	844	1,158
Deferred tax asset:		
Brought forward losses	1,963	2,128
Unabsorbed depreciation	5,236	5,475
Lease liabilities	492	536
Other temporary differences	1,966	1,929
Total	9,657	10,068
Recognised in books	-	-

30 Contingent liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Claims against the company not acknowledged as debt		
A. Indirect tax matters		
(i) Sales tax	756	756
(ii) Excise	52	52
(iii) Service tax	72	68
(iv) Customs	0	0
B. Income tax	138	138
C. Other civil litigations and claims	602	602

30 Contingent liabilities (Contd.)

Notes:

a) Indirect tax matter

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

b) Income tax

The Company has certain ongoing litigations in respect of income tax matters (including transfer pricing) for certain assessment years in various forums. In the event of an unfavourable outcome of these litigations, the carried forward losses of the Company will accordingly reduce, thereby having effect on the subsequent tax assessments. The Company considers the possibility of any outflow as remote in this regard, except for certain

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

penalty demands in respect of which the possibility of an outflow is considered as not probable and accordingly considered as contingent liability.

c) Other civil litigations and claims

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

d) Use of Judgement

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

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

- e) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above contingent liabilities.

31 Capital and other commitments

Particulars	As at 31 March 2023	As at 31 March 2022
Capital commitments for property, plant and equipment (net of advances)	776	118

32 Loss per share

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Nominal value of equity shares (in INR)	10/-	10/-
(a) Loss attributed to equity holders of the Company	(4,389)	(3,653)
(b) Weighted average number of equity shares used as denominator	89,87,56,041	68,32,66,198
(c) Basic and diluted loss per share (in INR)	(4.88)	(5.35)

Note:

- (a) There are no dilutive equity shares as at the year end.

33 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 2023, the Company has received a cumulative total grant of INR 212 million (As at 31 March 2022: INR 212 million).

The Company recognises the grant to the Statement of Profit and Loss over the useful life of the asset in the proportion in which depreciation on related assets are charged. Accordingly, a cumulative amount of INR 164 million (As at 31 March 2022: INR 154 million), including release during the year amounting to INR 10 million (As at 31 March 2022: INR 10 million), has been credited to the Statement of Profit and Loss during the year 31 March 2023.

The unamortised amount of total grants received as at 31 March 2023 is INR 48 million (as at 31 March 2022: INR 58 million). There are no unfulfilled conditions or other contingencies attached to the grants that has been recognised.

34 Related party disclosures

A. Names of related parties and description of relationship

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

I. Parent entities

Name of the entity	Country of Incorporation
Anheuser Busch InBev SA/NV, Ultimate Holding Company	Belgium
Budweiser Brewing Company APAC Limited, Intermediate Holding Company	Cayman Islands
Anheuser Busch InBev Asia B.V., Holding Company	Netherlands

II. Fellow subsidiaries (with whom transactions have taken place during the current year or previous year or have balances outstanding at the end of current year or previous year)

Name of the entity	Country of Incorporation
Anheuser Busch InBev Breweries Private Limited	India
SKOL Beer Manufacturing Company Limited	India
SKOL Global Business Services Private Limited	India
Crown Beers India Private Limited	India
AB InBev GCC Services India Pvt Ltd	India
Anheuser Busch InBev USA LLC	United States of America
Anheuser - Busch InBev Procurement GmbH	Switzerland
Anheuser-Busch InBev Vietnam Brewery Company Limited	Vietnam
Oriental Brewery Co. Ltd.	South Korea
Anheuser-Busch InBev China Co., Ltd	China
Anheuser Busch Inbev Shanghai Sales Co Ltd	China
Anheuser-Busch InBev Services LLC	United States of America
S A Inbev Belgium N.V.	Belgium

34 Related party disclosures (Contd.)

III. Employee Benefit Trusts

SKOL Breweries Ltd Emp Gratuity Fund Trust
Anheuser Busch InBev India Limited, Emp Gratuity Fund
Anheuser Busch InBev India Limited Gratuity Trust Fund
SKOL Breweries Ltd Emp Superannuation Trust

IV. Key management personnel of the entity

Kartikeya Sharma, Whole Time Director
Mahesh Kumar Mittal, Whole Time Director
Aastha Sharma, Chief Financial Officer (from 31 January 2022) (*)
Meeta Aggarwal, Chief Financial Officer (till 31 January 2022) (*)
Mansi Bajaj, Company Secretary (from 29 March 2023) (*)

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

Aishwarya Sathish Kumar, Company Secretary (from 14 February 2022 till 30 September 2022) (*)

Nishi Vijaywargiya, Company Secretary (till 28 August 2021) (*)

(*) Represents additional related parties as per Companies Act, 2013

V. Independent directors

Sapna Taneja

Rashmi Sharma

Shantanu Krishna (from 15 March 2023)

Aditya Vikram Jalan (from 31 January 2022 till 30 December 2022)

B. Summary of the transactions with related parties

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of raw materials to		
- fellow subsidiaries	-	208
Purchase of raw materials and packing materials from		
- fellow subsidiaries	478	223
Purchase of stock-in-trade from		
- fellow subsidiaries	244	255
Finance costs		
- fellow subsidiaries	10	43
- parent entities	-	149
	10	192
Reimbursement of advertisement and publicity expenses		
- fellow subsidiaries	-	100
Term loans repaid to		
- fellow subsidiaries	-	445
Legal, consultancy and professional charges		
- fellow subsidiaries	187	173
Liabilities written back (Netted off against Legal and Professional charges and Cost of goods sold)		
- fellow subsidiaries	-	115
- parent entities	-	18
	-	133
Reimbursement of expenses received from (Cost of materials, Salaries and wages, Travel and conveyance, etc.)		
- fellow subsidiaries	844	500
- parent entities	-	23
	844	523
Reimbursement of expenses paid to (Salaries and wages, Travel and conveyance, etc.)		
- fellow subsidiaries	463	145
Reimbursement received for excise duty paid on behalf of		
- fellow subsidiaries	35	112

Notes to the Financial Statements as of and for the year ended 31 March 2023

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34 Related party disclosures (Contd.)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Reimbursement made for excise duty paid on behalf of the Company		
- fellow subsidiaries	9	164
Reimbursement made for trade receivable collections made on behalf of		
- fellow subsidiaries	163	723
Reimbursement received for trade receivable collections made on behalf of the Company		
- fellow subsidiaries	743	312
Lease payments made on behalf of		
- fellow subsidiaries	25	-
Loans written off for		
- fellow subsidiaries	147	-
Interest accrued but not due on loans written off for		
- fellow subsidiaries	6	-
Contribution made for Gratuity and Superannuation		
- Employee Benefit Trusts	1	3
Employee stock option expenses in the nature of equity contribution by		
- parent entities	55	126
Equity shares issued during the year (including securities premium)		
- For cash (including securities premium)		
- parent entities	2,048	5,625
- By way of conversion of ECB		
- parent entities	-	7,770
Capital contribution [refer note 5(i)]		
- fellow subsidiaries	144	-
Investment in preference shares [refer note 5(i)]		
- fellow subsidiaries	0	-

34 Related party disclosures (Contd.)

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

Particulars	As at 31 March 2023	As at 31 March 2022
Financial asset - loans		
- fellow subsidiaries	-	147
Loss allowance for financial asset - loans		

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

- fellow subsidiaries	-	147
Financial asset - Interest accrued but not due		
- fellow subsidiaries	-	6
Loss allowance for financial asset - Interest accrued but not due on loans		
- fellow subsidiaries	-	6
Financial asset - Non-trade receivable		
- parent entities	1	4
- fellow subsidiaries	65	41
	66	45
Financial liabilities - trade payables		
- fellow subsidiaries	566	848
- parent entities	12	24
	578	872
Financial liabilities - Term loans		
- fellow subsidiaries	146	136
D. Remuneration and sitting fee		
Remuneration to key management personnel:		
Short-term employee benefits (*)	59	63
Post-employment benefits (*)	2	2
Employee share-based payments (**)	-	-
	61	65

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

(**) Based on options exercised during the year

Sitting fees paid to Independent directors	1	1
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Also, refer note 16B(b).

E. Terms and conditions

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

35 Employee benefit obligations

(i) Defined contribution plan:

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

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

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Provident fund	86	75
Superannuation fund	1	2
Employee state insurance scheme	0	0
Total	87	77

(ii) Defined benefit plan

Gratuity

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

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss:

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

Particulars	As at 31 March 2023	As at 31 March 2022
Obligations at the beginning of the year	223	201
Included in Statement of Profit and Loss:		
- Current Service Cost	28	26
- Past Service Cost	0	0
- Interest Cost	14	11
Included in Other comprehensive income:		
- Actuarial (gains)/ losses arising from changes in financial assumptions	(9)	(5)
- Actuarial (gains)/ losses arising from experience adjustments	4	13
Benefits settled	(15)	(23)
Obligations at year end	245	223

35 Employee benefit obligations (Contd.)

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

Particulars	As at 31 March 2023	As at 31 March 2022
Fair value of plan assets at the beginning of the year	8	8
Included in Other comprehensive income:		
- Actuarial (loss)/gain	0	1
Included in Statement of Profit and Loss:		
- Interest income on plan assets	1	0
Contributions	1	1

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

Benefits settled	-	(2)
Fair value of plan assets at year end	10	8

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

Particulars	As at 31 March 2023	As at 31 March 2022
Present value of defined benefit obligation at year end	245	223
Fair value of plan assets at year end	10	8
Total Liability recognised in Balance sheet	235	215
Net liability:		
- Non current (refer note 18A)	214	197
- Current (refer note 18B)	21	18
	235	215

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Cost for the year		
Current Service cost	28	26
Past Service cost	0	0
Net interest cost		
- Interest expense on DBO	14	11
- Interest (income) on plan assets	(1)	(0)
Total Net interest cost	13	11
Net gratuity cost	41	37

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Actuarial (gains)/ losses arising from changes in financial assumptions	(9)	(5)
Actuarial (gains)/ losses arising from experience adjustments	4	13
Actuarial (gains)/ losses on plan assets	0	(1)
Total actuarial (gain)/ loss included in OCI	(5)	7

35 Employee benefit obligations (Contd.)

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

Particulars	As at 31 March 2023	As at 31 March 2022
Qualifying insurance policies from the insurer	100%	100%

H. Actuarial assumptions

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Discount rate (per annum)	7.10%	6.40%
Salary escalation rate	9.80%	9.80%

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

Retirement age	58-60 Years	58-60 Years
Attrition rate	14.30%	14.30%
Mortality table	IALM (2006-08) Ultimate table (*)	IALM (2006-08) Ultimate table (*)

*IALM: Indian Assured Lives Mortality

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

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

I. Sensitivity analysis

Any reasonable change in the assumptions are not expected to have a material effect on the net defined benefit obligations.

J. Risk exposure

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

Asset volatility	The plan liabilities are calculated using a discount rate set with reference to yields of government securities; if plan assets underperform this yield, this will create a deficit. Plan asset investments for gratuity are made in pre-defined insurance plans and these are subject to risk of default and interest rate risk. The fund manages credit risk/ interest rate risk through continuous monitoring to minimise risk to an acceptable level.
Change in bond yields	A decrease in yields of government securities will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's bond holdings.
Inflation Risk	Actual Salary increase that are higher than the assumed salary escalation, will result in increase to the obligation at a rate that is higher than expected.
Life Expectancy	The plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

35 Employee benefit obligations (Contd.)

K. Defined benefit liability

The weighted average duration of the defined benefit obligation is 5 years (31 March 2022: 5 years). The expected maturity analysis of undiscounted gratuity is as follows:

	For the year ended 31 March 2023	For the year ended 31 March 2022
Less than a year	33	27
Between 1 -2 years	33	28
Between 2 - 5 years	91	79
Between 5 - 10 years	114	104

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

Note: The above details on expected maturity analysis of undiscounted gratuity payments are restricted up to 10 years.

36 Details of inter- corporate loans given

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

Party name	Repayment terms	Interest rate per annum	Purpose
Anheuser Busch InBev Breweries Private Limited	Refer note 6(ii)	9.0%	General
SKOL Global Business Services Private Limited	Refer note 6(i)	9.5%	General

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

Particulars	As at 31 March 2023	As at 31 March 2022
(i) Anheuser Busch Inbev Breweries Private Limited		
At the commencement of the year	2	2
Add: Loans given during the year	-	-
Less: Loan written off during the year [Refer note 6(ii)]	(2)	-
At the end of the year	-	2
(ii) SKOL Global Business Services Pvt Ltd		
At the commencement of the year	145	145
Add: Loans given during the year	-	-
Less: Loan written off during the year [Refer note 6(i)]	(145)	-
At the end of the year	-	145

37 Capital management

Risk 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, lease liabilities reduced by cash and cash equivalents. Equity comprises all components of equity. The Company's net debt to equity ratio as at 31 March 2023 and 31 March 2022 are as follows:

Particulars		As at 31 March 2023	As at 31 March 2022
Total debt	(a)	11,349	5,009
Less: Cash and cash equivalents	(b)	(1,873)	(510)
Net debt	(c) = (a) - (b)	9,476	4,499
Total equity	(d)	7,383	9,526
Net debt to equity ratio	(c) / (d)	1.28	0.47

38 Segmental information

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

Additional disclosures as required under Ind AS-108 are as below-

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

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
India	60,905	35,329
Other countries	869	752
Total	61,774	36,081

* Disclosure is based on the location of the customer.

(ii) Non-current assets (*)

Particulars	As at 31 March 2023	As at 31 March 2022
India	13,079	13,319
Other countries	-	-
Total	13,079	13,319

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

(iii) Revenue from major customers

Revenue from one customer (31 March 2022: three customers) of the Company for the year ended 31 March 2023 is INR 13,264 (31 March 2022: INR 15,436 million) which are individually more than 10 percent of the Company's total revenue.

39 Dues to Micro, small and medium enterprises

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

Particulars	As at 31 March 2023	As at 31 March 2022
(i) Amounts remaining unpaid to Micro Enterprises and Small Enterprises as at the end of the year:		
Trade payables		
- Principal	430	108
- Interest due thereon	61	4
Capital creditors		
- Principal	1	28
- Interest due thereon	0	-
(ii) Amounts paid to Micro Enterprises and Small Enterprises beyond appointed date during the year:		
- Principal	892	347
- Interest due thereon	-	-
(iii) The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	24	13
(iv) Amount of interest accrued and remaining unpaid as at the end of year	165	80
(v) Amount of further interest due and payable even in the succeeding year until such date when the interest dues as above are actually paid	-	-

Note (a):

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

39 Dues to Micro, small and medium enterprises (Contd.)

The Government of India has issued notification on 26 June 2020 giving revised guidelines and limit for classification of enterprises among Micro, Small and Medium, under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) effective from 1 July 2020. Consequent to the new guidelines giving revised limits for classification of enterprises among Micro, Small and Medium, the Company does not have the complete information regarding suppliers/vendors, attracting the provisions of the MSMED Act. Therefore, disclosure of the information in accordance with Section 22 of the MSMED Act and Schedule III of the Companies Act, 2013 provided above and accounting for interest under Section 16 of the MSMED Act, for the current year and the previous year, are determined to the extent such parties have been identified by the Management. The Company in the process of compiling the required information as per the provisions of MSMED Act, for appropriate accounting and presentation and disclosure.

40 Provision for indirect tax and other legal matters

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Provision for indirect-tax cases		
Opening balance	1,973	2,134
Add: Addition/(reversals) during the year - net	252	(134)
Less: Amounts utilised during the year	(11)	(27)
Closing balance	2,214	1,973
Provision for water charges		
Opening balance	61	61
Add: Addition/(reversals) during the year - net	-	-
Less: Amounts utilised during the year	-	-
Closing balance	61	61
Provision for legal cases		
Opening balance	291	273
Add: Addition/(reversals) during the year - net	(56)	18
Less: Amounts utilised during the year	-	-
Closing balance	235	291
	2,510	2,325

40 Provision for indirect tax and other legal matters (Contd.)

(a) Provision for indirect-tax cases

Provisions are made for certain litigations against the Company relating to Excise, Sales tax and Service tax related matters and stamp duty on various amalgamations effected through court orders in earlier years.

(b) 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 Honourable High Court of Bombay. The Honourable High Court of Bombay has passed an order against the appeal and has directed the Association to release the demand amount with retrospective

Notes to the Financial Statements as of and for the year ended 31 March 2023

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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.

(c) Provision for legal cases

Certain litigations are in process against the Company relating to labour cases, industrial disputes and other civil matters. This also includes provision made for certain non-compliances with the provisions of the Companies Act, 2013. The provisions are utilised to settle previously anticipated and determined adverse outcomes of legal cases against the Company.

- (d) Provision is made for probable cash outflow arising out of pending or potential indirect tax disputes and other litigations. It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above Indirect tax and legal matters.

41 Internal Financial Controls with Reference to the Financial Statements

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

42 Fair value measurements

(i) Financial instruments by category

Financial assets	'Note	As at 31 March 2023	As at 31 March 2022
Financial assets measured at fair value through profit and loss ("FVTPL")			
Investments in preference shares	5	144	-
Financial assets measured at amortised cost			
Trade receivables	12	6,142	4,401
Cash and cash equivalents	13A	1,873	510
Bank balances other than cash and cash equivalents	13B	54	-
Other financial assets (Other than derivatives)	7	232	204
Other financial assets (Other than derivatives)	7		
Total financial assets		8,445	5,115

42 Fair value measurements (Contd.)

Financial liabilities	'Note	As at 31 March 2023	As at 31 March 2022
Financial liabilities measured at amortised cost			
Borrowings (*)	16	9,260	3,476
Trade payables	20	8,528	5,831
Financial liabilities towards sale and lease back	17	680	-
Other financial liabilities (Other than derivatives)	17	1,519	1,236

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

Total financial liabilities	19,986	10,543
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(*) includes current maturities of borrowings and accrued interest.

(ii) Fair Value Hierarchy

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

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

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. There are no financial instruments which needs to be measured at fair value at level 2.

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

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

(iii) Valuation technique used for fair valuation

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(iv) Valuation process

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

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

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

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

The carrying amounts of trade receivables, other financial assets, borrowings, trade payables, other financial liabilities and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

43 Financial risk management

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

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

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

entity manages the risk.

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

(a) Credit risk

Trade receivables:

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

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

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

As at 31 March 2023

Particulars	Not due	0-6 months	6 months-1 year	More than 1 year	Total
Private customers					
Gross carrying amount - trade receivables	2,757	2,071	330	1,151	6,309
Expected credit losses - trade receivables	(27)	(243)	(271)	(1,151)	(1,692)
Sub-total (A)	2,730	1,828	59	-	4,617
State beverages corporations					
Gross carrying amount - trade receivables	1,402	-	-	457	1,859
Expected credit losses - trade receivables	-	-	-	(334)	(334)
Sub-total (B)	1,402	-	-	123	1,525
Total					
Gross carrying amount - trade receivables	4,159	2,071	330	1,608	8,168
Expected credit losses - trade receivables	(27)	(243)	(271)	(1,485)	(2,026)
Carrying amount of trade receivables (net of impairment) (A+B)	4,132	1,828	59	123	6,142

43 Financial risk management (Contd.)

As at 31 March 2022

Particulars	Not due	0-6 months	6 months-1 year	More than 1 year	Total
Private customers					
Gross carrying amount - trade receivables	2,548	724	122	1,363	4,757
Expected credit losses - trade receivables	(49)	(74)	(61)	(1,363)	(1,547)
Sub-total (A)	2,499	650	61	-	3,210

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

State beverages corporations					
Gross carrying amount - trade receivables	1,191	-	-	457	1,648
Expected credit losses - trade receivables	-	-	-	(457)	(457)
Sub-total (B)	1,191	-	-	-	1,191
Total					
Gross carrying amount - trade receivables	3,739	724	122	1,820	6,405
Expected credit losses - trade receivables	(49)	(74)	(61)	(1,820)	(2,004)
Carrying amount of trade receivables (net of impairment) (A+B)	3,690	650	61	-	4,401

Movement in loss allowances for trade receivables is provided below:

Particulars	31 March 2023	31 March 2022
Balance at the beginning of the year	2,004	1,788
Loss allowance (net)	22	216
Balance at the end of the year (refer note 12)	2,026	2,004

The company is also exposed to credit risk in respect of cash and cash equivalents. As a policy, the company places its cash and cash equivalents with well established banks. Management has evaluated and determined expected credit loss for cash and cash equivalents to be immaterial.

Loans, Investments and other financial assets:

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

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

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

Particulars	31 March 2023	31 March 2021
Balance at the beginning of the year	739	812
Loss allowance (net)	(13)	(68)
Less: Investments written off during the year	(153)	(5)
Balance at the end of the year (refer note 6 and 7)	573	739
Loss allowance on trade receivables and other financial assets (net) charged to Statement of Profit and Loss	9	148

43 Financial risk management (Contd.)

(b) Liquidity risk

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

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried out by the Management of the Company in accordance

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Financing arrangements

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

Particulars	As at 31 March 2023	As at 31 March 2022
Floating rate		
Cash credit/ working capital loans	3,697	12,627

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

Maturities of financial liabilities

The maturity profile of the Company's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Company.

Contractual maturities of non derivative financial liabilities	Carrying amount	Total	Less than 1 year	1–2 years	2-5 years	More than 5 years
31 March 2023						
Borrowings (*)	9,260	9,260	9,260	-	-	-
Trade payables	8,528	8,528	8,528	-	-	-
Lease liabilities	1,409	1,653	464	452	714	23
Financial liabilities towards sale and lease back	680	742	332	381	29	-
Other financial liabilities	1,519	1,527	1,406	73	48	-
	21,396	21,710	19,990	906	791	23
31 March 2022						
Borrowings (*)	3,476	3,476	3,476	-	-	-
Trade payables	5,831	5,831	5,831	-	-	-
Lease liabilities	1,533	1,859	440	411	1,008	-
Other financial liabilities	1,236	1,251	1,101	56	94	-
	12,076	12,417	10,848	467	1,102	-

(*) includes current maturities of borrowings and accrued interest.

(c) 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 foreign exchange risk relating to borrowings.

43 Financial risk management (Contd.)

(i) Foreign exchange risk

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

Exposure to currency risk

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

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

Particulars	As at 31 March 2023							Total
	USD	EUR	GBP	CNY	KRW	AUD	SGD	
Financial assets								
Trade receivables	76	-	-	-	-	-	-	76
Balances with banks	77	-	-	-	-	-	-	77
Non-trade receivable from related parties	66	-	-	-	-	-	-	66
Exposure to foreign currency risk (assets)	219							219
Financial liabilities								
Trade payables	446	146	6	49	49	0	1	697
Other current financial liabilities (capital creditors)	14	56	-	-	-	-	-	70
Exposure to foreign currency risk (liabilities)	460	202	6	49	49	0	1	767
Net exposure	(241)	(202)	(6)	(49)	(49)	(0)	(1)	(548)
Particulars	As at 31 March 2022							Total
	USD	EUR	GBP	CNY	KRW	AUD	VND	
Financial assets								
Trade receivables	78	-	-	-	-	-	-	78
Balances with banks	77	-	-	-	-	-	-	77
Non-trade receivable from related parties	41	4	-	-	-	-	-	45
Exposure to foreign currency risk (assets)	196	4						200
Financial liabilities								
Trade payables	156	167	0	36	17	0	3	379
Other current financial liabilities (capital creditors)	4	11	-	-	-	-	-	15
Exposure to foreign currency risk (liabilities)	160	178	0	36	17	0	3	394
Net exposure	36	(174)	(0)	(36)	(17)	(0)	(3)	(194)

43 Financial risk management (Contd.)

Sensitivity analysis

A reasonably possible change of 5% (500 basis points) in exchange rates at the reporting date would have increased/(decreased) equity and profit and loss by the amounts shown below.

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

Particulars	Impact on loss after tax [Increase/(decrease)]		Impact on other equity [Increase/(decrease)]	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
5% increase in exchange rate	(27)	(10)	27	10
5% decrease in exchange rate	27	10	(27)	(10)

44 Share based payments arrangements

Different share and share option programs allow certain employees of the Company to receive or acquire shares of Anheuser Busch InBev SA/NV, the ultimate holding Company and Budweiser Brewing Company APAC Limited, an intermediate holding company.

Anheuser Busch InBev India Limited has four primary share-based compensation plans, the share-based compensation plan ("ShareBased Compensation Plan"), the discretionary long-term incentive stock option plan ("LTI Stock Option Plan"), the People Bet plan ("PB Plan"), discretionary Restricted Stock Units plan ("RSU Plan") and new RSU plan. For all option plans, the fair value of share-based payment compensation is estimated at grant date, using a binomial Hull model, modified to reflect the Ind AS 102 Share-based Payment requirement that assumptions about forfeiture before the end of the vesting period cannot impact the fair value of the option.

In November 2020, a new restricted stock units plan was set up by Budweiser Brewing Company APAC Limited which allows for the offer of RSUs to certain eligible employees in certain specific circumstances, at the discretion of the Board, e.g. as a long term incentive. The vesting period of the RSUs is in principle is 3 to 5 years..

All the company sharebased payment plans are equity-settled.

The expense recognised for Share based payments arrangements for the year is INR 55 million (31 March 2022: INR 126 million). As there is no recharge expected from the group, the entire expense has been shown as 'Equity contribution by parent company in the form of Employee Stock options.

Employee stock option plan:

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
	Number	WAEP (USD)	Number	WAEP (USD)
Outstanding at beginning of the year	5,16,440	732	1,074,053	2,071
Granted during the year	-	-	-	-
Forfeited/ expired during the year	(99,044)	5,084	(192,385)	786
Exercised during the year	-	-	(809)	6,652
Changes on account on employee movement	63,165	732	(364,419)	810
Outstanding as at the end of the year	480,561	549	516,440	732

(*) WAEP converted to INR using exchange rates at the end of 31 March 2023 and 31 March 2022 respectively

44 Share based payments arrangements (Contd.)

Significant assumptions used for fair valuation of ESOPs are:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
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Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

Stock options:		
Expected term	5 years	5 years
Risk-free interest rates	1.0%	1.0%
Expected volatility	25.0%	25.0%
Expected dividend yield	1.0%	1.0%

Restricted Stock Units:

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

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Outstanding at beginning of the year	8,41,234	12,65,460
Granted during the year	6,96,196	-
Forfeited during the year	(85,390)	(2,93,083)
Exercised during the year	-	(222)
Changes on account on employee movement	94,872	(1,30,921)
Outstanding at the end of the year	15,46,912	8,41,234

The weighted average remaining contractual life for the RSU outstanding as at 31 March 2023 was 2.9 years (31 March 2022: 2.6 years).

The company measures and recognises stock based compensation for all stock-based awards, including restricted stock units (RSU's), based on their estimated fair value on grant date, and recognise the costs in financial statements over the vesting period.

The fair value of employee time-based RSUs is equal to the market value of common stock on the grant date of award.

45 Offsetting of financial assets and financial liabilities

The Company gives volume-based incentives and rebates to certain customers. Amounts payable by Company are offset against receivables from such customers and only the net amounts are settled. The relevant amounts have therefore been presented net in the balance sheet. Details of such offset is given in the below table.

31 March 2023

Particulars	Effects of offsetting on the balance sheet		
	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet
Financial assets			
- Trade receivables	9,596	(3,454)	6,142
Financial liabilities			
- Other current financial liabilities	5,192	(3,454)	1,738

31 March 2022

Particulars	Effects of offsetting on the balance sheet		
	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet
Financial assets			
- Trade receivables	6,067	(1,666)	4,401
Financial liabilities			
- Other current financial liabilities	2,767	(1,666)	1,101

46 Financial ratios

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

Particulars	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	Variance (in %)	Reason for variance >25%
Current ratio (in times)	Current Assets	Current Liabilities	0.83	0.84	-1%	Not applicable
Debt - Equity ratio (in times)	Total debt	Shareholder's fund	1.54	0.53	192%	Change on account of increase in the working capital loan borrowed during the year and financial liabilities from sale and lease back transaction entered during the year.
Debt service coverage ratio (in times)	Earnings available for debt service = Net profit after taxes + depreciation and amortisation expenses + finance costs + other non-cash operating expenses	Debt service = Interest and lease payments + principal repayments	(0.26)	(0.24)	7%	Not applicable
Return on Equity (ROE) ratio (in times)	Net profits after taxes	Average shareholder's fund	(0.52)	(0.79)	-35%	Change on account of additional equity infusion during the current year.
Inventory turnover ratio (in times)	Cost of goods sold or sales	Average Inventory	6.31	5.35	18%	Not applicable
Trade Receivables turnover ratio (in times)	Credit Sales	Average trade receivable	11.72	8.81	33%	Change on account of improvement in the collection period.
Trade payables turnover ratio (in times)	Purchases and Operating expenses	Average trade payables	4.17	2.96	41%	Change on account of reduction in payment period.
Net Capital turnover ratio (in times)	Sales	Average Working capital	(18.93)	(7.66)	147%	Change on account of decrease in average working capital of the company compared to previous year.
Net profit ratio (in times)	Net Profit after Tax	Sales	(0.07)	(0.10)	-30%	Change on account of higher sales compared to previous year driven by increase in business operations.
Return on Capital Employed (ROCE) (in times)	EBIT	Capital Employed	(0.20)	(0.24)	-19%	Not applicable
Return on Investment (ROI) (in times)	Net Profit before tax	Opening capital	(0.46)	11.00	-104%	Change on account of conversion of the existing ECB into equity and additional equity infusion during the previous year.

47 Additional regulatory information required by Schedule III

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

i) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

ii) Details of Benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

iii) Borrowing secured against current assets

The Company has unsecured borrowings from banks and financial institutions.

iv) Compliance With Number of Layers of Companies

The Company does not have any subsidiary companies and hence provisions relating to layers of the Company are not applicable to the Company.

v) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

vi) Utilisation of Borrowed Funds and Share Premium

A) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries"); or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding Party") with the understanding (whether recorded in writing or otherwise) that the company shall:

- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
- (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

vii) Undisclosed Income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

viii) Details Of Crypto Currency Or Virtual Currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

ix) Valuation Of Property Plant And Equipment (Including Right-Of-Use Assets) And Intangible Assets

The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. The Company did not have any investment property during the current or previous year.

x) Core Investment Company

The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. It does not have any CICs, which are part of the Company.

xi) Dividend

The Company has not declared/paid dividend during the year.

47 Additional regulatory information required by Schedule III (Cont.)

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

xii) Utilisation of borrowings availed from banks

The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.

xiii) Title deeds of immovable properties not held in the name of the Company

Refer Note 4A(iii) for title deeds of immovable properties not held in the name of the Company.

xiv) Registration of Charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

xv) Corporate Social Responsibility expenditure ("CSR")

The provisions of Section 135(1) of Companies Act, 2013 with respect to mandatory CSR expenditure is not applicable to the Company for the current and the previous year, as a consequence of losses incurred for both the years.

xvi) Relationship With Struck Off Companies

Pertaining to 31 March 2023:

Name of struck off Company	Nature of transaction (s)	Amount of transactions during the year	Balance outstanding as at the end of the year [Receivable/ (Payable)]	Relationship with the Struck off company
Aditya Beverage and Foods Private Limited	Sale of goods and services	-	0	Customer
Advance Bottling Private Limited	Sale of goods and services	-	0	Customer
Ahuja Hospitality Private Limited	Sale of goods and services	-	0	Customer
Alka Hotels Private Limited	Sale of goods and services	0	(0)	Customer
Apricot Resorts & Restaurant Private Limited	Sale of goods and services	-	0	Customer
Av Bistro Private Limited	Sale of goods and services	-	0	Customer
Back To Back Digitals Private Limited	Sale of goods and services	-	0	Customer
Surreal Hospitality Private Limited	Sale of goods and services	-	(0)	Customer
A & S Food Ladder Private Limited	Sale of goods and services	-	(0)	Customer
Chandigarh Wine Traders Private Limited	Sale of goods and services	-	(0)	Customer
Chanson Hospitality Private Limited	Sale of goods and services	-	0	Customer
Cheers Hospitality Private Limited	Sale of goods and services	-	(0)	Customer
Chirag Restaurant Private Limited	Sale of goods and services	-	1	Customer
Belgique Chocolates Private Limited	Sale of goods and services	-	0	Customer

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

Name of struck off Company	Nature of transaction (s)	Amount of transactions during the year	Balance outstanding as at the end of the year [Receivable/ (Payable)]	Relationship with the Struck off company
Maya Hotels Private Limited.	Sale of goods and services	3	0	Customer
FK Entertainment Private Limited	Sale of goods and services	-	(0)	Customer
Gateway Resorts Private Limited	Sale of goods and services	-	0	Customer
Glow Infocom Private Limited	Sale of goods and services	-	1	Customer
Stirrer Hospitality Private Limited	Sale of goods and services	-	0	Customer
Al-An Ventures Private Limited	Sale of goods and services	-	0	Customer
Surya Leisure Private Limited	Sale of goods and services	-	0	Customer
Harrys Kitchens Private Limited	Sale of goods and services	-	0	Customer
Rosewood Cafe Private Limited	Sale of goods and services	-	0	Customer
Dionysus Hospitality Private Limited	Sale of goods and services	-	0	Customer
Diya Hospitality Private Limited	Sale of goods and services	-	0	Customer
Crudex Lng Petroleum Private Limited	Sale of goods and services	0	0	Customer
Joie De Vivre Restaurant Private Limited	Sale of goods and services	-	0	Customer
Eternity Entertainment & Hospitality Private Limited	Sale of goods and services	-	(0)	Customer
H & C Impex Private Limited	Sale of goods and services	-	0	Customer
Mollycoddle Impex Private Limited	Sale of goods and services	-	0	Customer
Coffeebean and Tealeaf (India) Private Limited	Sale of goods and services	-	0	Customer
Luxuria Entertainment Private Limited	Sale of goods and services	-	0	Customer
Msr Hotels Private Limited	Sale of goods and services	-	0	Customer
Natural Selections Private Limited	Sale of goods and services	-	0	Customer
New Friends Colony Club Limited	Sale of goods and services	0	0	Customer
Readymade Centre Private Limited	Sale of goods and services	-	0	Customer
Vintero Hospitality Private Limited	Sale of goods and services	-	0	Customer
S3 Hospitality Private Limited	Sale of goods and services	-	0	Customer

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

47 Additional regulatory information required by Schedule III (Contd.)

Name of struck off Company	Nature of transaction (s)	Amount of transactions during the year	Balance outstanding as at the end of the year [Receivable/ (Payable)]	Relationship with the Struck off company
Paratus Infradevelopers Private Limited	Sale of goods and services	0	0	Customer
Som Health Care Products Private Limited	Sale of goods and services	-	0	Customer
Srisri Creations Jewels and Handicrafts Private Limited	Sale of goods and services	-	1	Customer
Vrinda Hospitality Private Limited	Sale of goods and services	-	0	Customer
Choice Development Co. Private Limited.	Sale of goods and services	-	(0)	Customer
Soul Fandb Services Private Limited	Sale of goods and services	-	0	Customer
Veda Restaurants Private Limited	Sale of goods and services	-	0	Customer
World Cuisine Network Private Limited	Sale of goods and services	-	0	Customer
Closure Systems International India Private Limited	Purchase of goods and services	-	(0)	Supplier
Impex Linkers Private Limited	Purchase of goods and services	-	0	Supplier
Jones Lang Lasalle India Private Limited	Purchase of goods and services	2	0	Supplier
Sealed Air Packaging (India) Private Limited	Purchase of goods and services	-	(0)	Supplier
Security & Intelligence Gaurd Services Private Limited	Purchase of goods and services	8	0	Supplier
Filtech India Private Limited	Purchase of goods and services	9	9	Supplier
Cesco Private Limited	Purchase of goods and services	-	(0)	Supplier
Dan Tourist Hotels Pvt Ltd	Purchase of goods and services	-	0	Supplier
Hotel Hillside Pvt Ltd	Purchase of goods and services	-	0	Supplier
Hotel Laxman Private Limited	Purchase of goods and services	-	0	Supplier
Hotel Blue Star Private Limited	Purchase of goods and services	-	0	Supplier
RR Broadcast Media Services Private Limited	Purchase of goods and services	-	(0)	Supplier

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(All Amounts in INR Millions unless otherwise stated)

47 Additional regulatory information required by Schedule III (Contd.)

xvi) Relationship With Struck Off Companies

Pertaining to 31 March 2022:

Name of struck off Company	Nature of transaction (s)	Amount of transactions during the year	Balance outstanding as at the end of the year [Receivable/ (Payable)]	Relationship with the Struck off company
Aditya Beverage and Foods Private Limited	Sale of goods and services	-	1	Customer
Ahuja Hospitality Private Limited	Sale of goods and services	-	0	Customer
Av Bistro Private Limited	Sale of goods and services	-	0	Customer
Back To Back Digitals Private Limited	Sale of goods and services	-	0	Customer
Surreal Hospitality Private Limited	Sale of goods and services	-	(0)	Customer
A & S Food Ladder Private Limited	Sale of goods and services	-	(0)	Customer
Chandigarh Wine Traders Private Limited	Sale of goods and services	-	(0)	Customer
Chanson Hospitality Private Limited	Sale of goods and services	-	0	Customer
Cheers Hospitality Private Limited	Sale of goods and services	-	(0)	Customer
Chirag Restaurant Private Limited	Sale of goods and services	2	1	Customer
Belgique Chocolates Private Limited	Sale of goods and services	-	0	Customer
Maya Hotels Private Limited.	Sale of goods and services	0	0	Customer
Fk Entertainment Private Limited	Sale of goods and services	-	(0)	Customer
Glow Infocom Private Limited	Sale of goods and services	-	1	Customer
Stirrer Hospitality Private Limited	Sale of goods and services	-	0	Customer
Surya Leisure Private Limited	Sale of goods and services	-	0	Customer
Harrys Kitchens Private Limited	Sale of goods and services	-	0	Customer
Rosewood Cafe Private Limited	Sale of goods and services	-	0	Customer
Dionysus Hospitality Private Limited	Sale of goods and services	-	0	Customer
Diya Hospitality Private Limited	Sale of goods and services	-	0	Customer
Crudex Lng Petroleum Private Limited	Sale of goods and services	0	(0)	Customer
Joie De Vivre Restaurant Private Limited	Sale of goods and services	-	0	Customer
Eternity Entertainment & Hospitality Private Limited	Sale of goods and services	-	(0)	Customer

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

47 Additional regulatory information required by Schedule III (Contd.)

Name of struck off Company	Nature of transaction (s)	Amount of transactions during the year	Balance outstanding as at the end of the year [Receivable/ (Payable)]	Relationship with the Struck off company
H & C Impex Private Limited	Sale of goods and services	-	0	Customer
Coffeebean And Tealeaf (India) Private Limited	Sale of goods and services	0	0	Customer
Luxuria Entertainment Private Limited	Sale of goods and services	-	0	Customer
Msr Hotels Private Limited	Sale of goods and services	-	0	Customer
Natural Selections Private Limited	Sale of goods and services	-	0	Customer
New Friends Colony Club Limited	Sale of goods and services	0	0	Customer
Readymade Centre Private Limited	Sale of goods and services	2	-	Customer
Vintero Hospitality Private Limited	Sale of goods and services	-	0	Customer
S3 Hospitality Private Limited	Sale of goods and services	-	0	Customer
Som Health Care Products Private Limited	Sale of goods and services	-	(0)	Customer
Srisri Creations Jewels And Handicrafts Private Limited	Sale of goods and services	-	1	Customer
Vrinda Hospitality Private Limited	Sale of goods and services	-	0	Customer
Choice Development Co. Private Limited.	Sale of goods and services	-	(0)	Customer
Soul Fandb Services Private Limited	Sale of goods and services	0	(0)	Customer
Veda Restaurants Private Limited	Sale of goods and services	-	0	Customer
World Cuisine Network Private Limited	Sale of goods and services	-	0	Customer
Closure Systems International India Private Limited	Purchase of goods and services	-	0	Supplier
Impex Linkers Private Limited	Purchase of goods and services	-	(0)	Supplier
Jones Lang Lasalle India Private Limited	Purchase of goods and services	6	(2)	Supplier
Sealed Air Packaging (India) Private Limited	Purchase of goods and services	-	0	Supplier
Security & Intelligence Gaurd Services Private Limited	Purchase of goods and services	9	(1)	Supplier
Filtech India Private Limited	Purchase of goods and services	-	0	Supplier

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

48 Matters relating to Companies Act, 2013 (the "Act")

(a) Delay in holding the Annual General Meeting ("AGM")

As required under Section 96(1) and Section 134(2) of the Act, the audited financial statements for the years ended 31 March 2018, 31 March 2019, 31 March 2020, 31 March 2021, 31 March 2022 and 31 March 2023 were not laid in the Annual General Meetings (AGMs) of the respective years within the stipulated time prescribed in the Act.

(b) Constitution of the Board of Directors, Audit Committee and Nomination and Remuneration Committee

The Company had re-appointed an Independent Director during the year ended 31 March 2019 for a third term, thereby the appointment of the said independent director was not in compliance with the requirements of Section 149 of the Act. Further, the Company had also not complied with the requirements of Section 152 of the Act in respect of retirement of directors by rotation at the annual general meeting held on 28 December 2017 and 13 May 2019. Consequently, the Board of Directors of the Company and the related Audit Committee and Nomination and Remuneration Committee required to be formed pursuant to Sections 177 and 178 of the Act read with Section 172 of the Act and Schedule IV of the Act were not constituted in compliance with the Act during the period from 28 December 2017 to 29 July 2020. On 29 July 2020, the Board and its related Committees have been constituted appropriately and all the matters and resolutions approved by the said Board and its related Committees during the said period, have been ratified and affirmed. Further, the Company had filed application for compounding the offences under section 441 of the Act with the Registrar of Companies (ROC), Mumbai. The Registrar of Companies, Mumbai vide letter dated 12 December 2023 had directed the Company to file three separate applications under Section 441 of the Act for which the requisite applications dated 13 March 2024 have been filed with Registrar of Companies, Mumbai. The Regional Director, Mumbai has passed an order dated 26 July 2024 for the compounding of offence of Section 149 of the Act and the requisite fine as per order levied on the Company has been paid. The Regional Director, Mumbai has sought further information w.r.t the directors liable for rotation under Section 152 of the Act. The Company had filed further information vide compounding application dated 19 July 2024. The Company is currently awaiting final order under Section 152 read with Section 172 of the Act and Section 177 and Section 178 read with Schedule IV of the Act.

(c) Constitution of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board was constituted with less than three non-executive directors which was not in compliance with the requirements of Section 178 of the Act read with Rule 6 of the Companies (Meetings of Board and its powers) Rules, 2014 for the period 1 April 2014 till 30 January 2022. The Company has re-constituted the Nomination and Remuneration Committee appropriately w.e.f. 31 January 2022. Further, the Company has filed application for compounding the offence with the Registrar of Companies (ROC), Mumbai. The Regional Director, Mumbai has passed an order dated 26 July 2024 compounding the non compliance under Section 178 of the Act for the period 1 April 2014 to 20 December 2020 and the requisite fine as per the order levied on the Company has been paid. Further, for the period 21 December 2020 till 30 January 2022, the Regional Director, Mumbai has directed ROC, Mumbai to initiate action for adjudication under Section 454 for default under Section 178 of the Act. The Company is currently awaiting order from ROC, Mumbai for the period 21 December 2020 to 30 January 2022.

(d) Appointment of a Whole-time Director

The Company had appointed a non-resident as an additional director in its meeting of the Board of Directors on 27 November 2017 and the said appointment was approved and ratified as a director in the ensuing Annual General Meeting of the Company held on 28 December 2017. Subsequently, pursuant to the approval from members dated 13 May 2019, the Company had approved and ratified the said appointment of the non-resident as a whole-time director retrospectively from 27 November 2017 for a period of five years until 26 November 2022. The whole-time director resigned from his position with effect from 4 September 2020. The said appointment as a whole-time director was not in accordance with the provisions of the Section 196 read with Schedule V of the Act. Subsequent to the year end, the Company has filed an application for compounding of the offence under Section 441 read with Section 450 of the Act with the ROC Mumbai and is currently awaiting a response.

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

48 Matters relating to Companies Act, 2013 (the "Act") (Contd.)

(e) Non-compliance with certain Secretarial Standards with respect to general and Board meetings

The Company had not complied with certain secretarial standards with respect to Board meetings held during the years ended 31 March 2020, 31 March 2021, 31 March 2022 and 31 March 2023 as specified under Section 118(10) of the Act. The said matter is remediated effective financial year commencing 1 April 2023 and the Company has filed an application under Section 454 dated 31 July 2024 for adjudicating the offence with the ROC, Mumbai and is currently awaiting a response.

(f) Meeting of Independent Directors

As required under Section 149 read with Schedule IV of the Act, separate meeting of the independent directors of the Company without the attendance of non-independent directors and members of management, was not held during the year ended 31 March 2022. Subsequent to the year, the Company has filed an application under Section 454 dated 12 March 2024 for adjudication of the offence with the ROC, Mumbai and is currently awaiting a response.

(g) Managerial remuneration

The managerial remuneration for the financial year ended 31 March 2023 aggregating to INR 51 million paid to two whole time directors includes an amount of INR 25 million paid in excess of the limits prescribed under the provisions of Section 197 read with Schedule V to the Act. In line with requirements of Section 197 of the Act, the Company has obtained required approval from shareholders by way of postal ballot subsequent to the year end.

(h) Approval of the Audit Committee for transactions with a related party

Year ended 31 March 2023

The Company had obtained an omnibus approval for certain transactions with a related party amounting to INR 750 million. However, during the year, the aggregate of these transactions with the related party exceeded the approval limit by INR 1,879 million. Further, there was no prior approval of the Audit Committee obtained for certain transactions with a few related parties aggregating to INR 209 million. These transactions have been taken on record by the Audit Committee subsequent to the year end. These transactions are in ordinary course of business and at arm's length price as certified by an independent chartered accountant.

Year ended 31 March 2022

The Company had obtained an omnibus approval for certain transactions with a related party amounting to INR 750 million. However, during the year, the aggregate of these transactions with the related party exceeded the approval limit by INR 1,635 million. Further, there was no prior approval of the Audit Committee obtained for certain transactions with a few related parties aggregating to INR 81 million. These transactions have been taken on record and approved by the Audit Committee subsequent to the year end. These transactions are in ordinary course of business and at arm's length price as certified by an independent chartered accountant.

The Company has estimated potential fines/ penalties in respect of the above matters and made adequate accrual in the books of account as at 31 March 2023.

- 49 Subsequent to the year end, one of the regulators, in relation to a confidential investigation, has sought certain information from the Company pertaining to its business in the capacity of a third party. The Company has submitted certain details with the said regulator and is in the process of providing the remaining information. At this stage, based on the management's own evaluation and also the advice from company's external legal counsel, it believes that there is no case against the Company nor it is a party in the case and accordingly there are no financial implications on the Company.

Notes to the Financial Statements as of and for the year ended 31 March 2023

(All Amounts in INR Millions unless otherwise stated)

50 During the current year, the Company has entered into a licensing agreement with a third party ("licensor") for import, distribution and sale of the products under the specified mark registered in the name of and owned by the licensor.

The agreement also provides with a call option to the Company to initially acquire 66% of the equity shares of the licensor in the first tranche wherein the Company can exercise the option at a fixed price. The option can be exercised by the Company within the end of 45 days from the initial or extended licence period. The initial licence period ends on 31 December 2024 which can be extended by for a period of 12 months until 31 December 2025 subject to the terms of the agreement. If the Company exercises the call option over the first tranche, it also has an option to purchase the remaining equity shares of the licensor during the period from 1 January 2032 to 31 December 2032 in the event the existing shareholders of the licensor do not offer to sell remaining shareholding to the Company prior to 31 December 2031, at a price which is dependent on the EBITA of the licensor.

As the call option does not have current potential voting rights over the licensor, such call options do not provide the Company with the power to control the licensor as at 31 March 2023. Rather, the call option is accounted as a derivative financial asset as at 31 March 2023. The Company has determined the fair value of the options as at 31 March 2023 which is nil, considering the valuation of the shares of the licensor as at that date.

Significant observable inputs used in determination of the fair value of the options are:

- 1) Sales growth rate
- 2) Terminal growth rate
- 3) Discount rate

51 Subsequent events

Pursuant to the approval from members by way of postal ballot subsequent to the year end, the Company has allotted 88,008,892 equity shares of INR 10 each at a premium of INR 37.70 per equity share aggregating to INR 4,198 million by way of a cash consideration on a private placement basis under Section 42 of the Act, to Anheuser Busch InBev Asia B.V.

Also refer Note 5(i).

For Price Waterhouse & Co Chartered Accountants LLP

Firm registration number: 304026E/E-300009

Amit Kumar Agrawal

Partner

Membership number: 064311

Place: Bengaluru

Date: 30 September 2024

For and on behalf of the Board of Directors

Mahesh Kumar Mittal

Director

DIN: 09071616

Mansi Bajaj

Company Secretary

Membership Number: ACS-68330

Place: Bengaluru

Date: 30 September 2024

Kartikeya Sharma

Director

DIN: 07728620

Aastha Sharma

Chief Financial Officer

Anheuser Busch InBev India Limited
(Formerly known as SABMiller India Limited)
Regd. Office: Unit No. 301-302, Dynasty Business Park, 3rd Floor
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CIN: U65990MH1988PLC049687