

**52nd Annual Report**  
**2019-20**



**MALTEX MALSTERS LIMITED**

Regd. Office :  
RAUNI, PATIALA



**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE** is hereby given of the Fifty-Second Annual General Meeting ("the AGM") of the Members of MALTEX MALSTERS LIMITED ("the Company") to be held on Monday, August 24, 2020 at 2.30 p.m. through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") for the following business:

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the audited Financial Statements of the Company for the year ended 31st March, 2020, together with the Reports of the Auditors and Directors thereon.
2. To declare a Dividend
3. To appoint a Director in place of Mr. Loveleena Labroo (DIN 01189549), who retires by rotation and being eligible, offers herself for re-appointment.

**SPECIAL BUSINESS**

4. To consider and if thought fit, to pass with or without modification, the following Resolution as an **SPECIAL RESOLUTION:**

**RESOLVED** that pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act'), and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, the approval of the Members be and is hereby accorded for the appointment of Mr. Brij Mohan Labroo (DIN 00040433) as Chief Executive Officer of the Company effective from August 01, 2020, for a period of three consecutive years up to July 31, 2023, on the following terms and conditions :

- 1) Basic Salary Rs. 1,30,000/- (Rs. One Lac thirty thousand only) per month up to 31.07.2021 and thereafter in the scale of Rs.130000/--10000-140000/--10000-150000/- per month for the remaining tenure plus perquisites equivalent to the annual salary as mentioned below.

For the purpose, perquisites are classified into three categories.

**Part-A, B and C which are as follows :**

**PART-A**

1. **Housing:** The expenditure incurred by the Company on hiring of unfurnished accommodation will be subject to the ceiling of 60% of salary and in case no accommodation is provided by the Company she shall be entitled to house rent allowance at the rate of 60% of salary and if the accommodation is owned by the company 10% of salary of the CEO shall be deducted by the Company.
2. **Medical reimbursement :** Expenses incurred for self and family subject to a ceiling of one month's Salary per year or three Month's salary in a period of 3 years.
3. **Leave Travel Concession:** for self and family once in a year incurred in accordance with the rules of the Company.
4. **Club Fees :** Fees of club's subject to a maximum of two clubs, admission and life membership fees.
5. **Personal Accident insurance :** Personal Accident insurance shall be borne by the Company which should not to exceed Rs. 10000/- per annum.
6. **Leave:** Leave in accordance with the Rules of the Company.

**PART : B**

1. Contribution to Provident Fund, superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the income tax act



2. Gratuity payable shall not exceed half a month salary for each completed year of services, subject to a ceiling under the act.

**PART : C**

1. The Company shall provide car with driver and a telephone at CEO's residence which shall not be considered as perquisites. Personal long distance calls and use of car for private purpose shall be billed by the Company to CEO.
2. The CEO shall also be entitled for reimbursement of expenses actually incurred by her for the business of the Company and shall not be paid any sitting fee for attending he meeting of the Board of Directors of the Company.
3. Notwithstanding anything to the contrary herein contained, In the event of absence or inadequacy of profit in any financial year during the tenure of purpose remuneration of Mr B M Labroo, the remuneration aforesaid shall be minimum remuneration provided that it does not exceed the limits as prescribed in section II of part II of Schedule V of the Companies Act 2013.

(All the above perquisites shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rule, perquisites shall be evaluated at actual cost.)

Further **RESOLVED** that the Board (including any Committee thereof), be and is hereby authorize to alter/vary the amount of Compensation including the type and amount of perquisite, bonus and other benefits payable from time to time, in such manner as may be agreed between the Company and Mr.Brij Mohan Labroo, within the total compensation and overall limits thereof as approved by the Members and to the extent the Board may consider appropriate and to do all such acts, deeds, matter and things including execution of a contract or written memorandum with the Mr.Brij Mohan Labroo, Chief Executive Officer of the Company".

**Registered Office :**  
Maltex House, Village Rauni  
Patiala  
Patiala, August 01, 2020

By Order of the Board  
R K Jindal  
Director  
DIN: 07571428

**NOTES:**

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (the Act) with respect to item no. 4 of the Notice is annexed hereto and forms part of this Notice.
2. The meeting shall be deemed to be conducted at the Registered Office of the Company situated at Maltex House, Village Rauni, Distt: Patiala - 147001.
3. In view of the countrywide lockdown and restriction on movement across the country imposed by the Government due to the COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide General Circular No. 20/2020 dated 5th May 2020 read with General Circular No. 14/2020 dated 8th April 2020 and General Circular No. 17/2020 dated 13th April 2020, allowed companies:
  - i. to send the annual reports to shareholders on email who have registered their email ID with the Company /Depositories,
  - ii. to hold the AGM through video conferencing (VC) or other audio-visual means (OVAM) and
  - iii. to keep the dividend on hold for those shareholders who have not provided details of their bank accounts for electronic payment and dispatch their cheque / demand draft upon normalization of the postal services.
4. The annual report and notice of the AGM is being sent to the members at their mail



address who have registered their mail ID with the Company/Depository. The members who have not registered their e-mail ID with the Company will receive the annual report and notice of the AGM through Postal services at their respective addresses registered with the Company.

5. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Act and all other documents referred to in the Notice can be inspected in electronic mode by sending a request on email to maltexmalsters.info@gmail.com.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 19th August 2020 to Monday, 24th August 2020 (both days inclusive).
7. Payment of dividend as recommended by the Board of Directors, if approved at this AGM, will be made to those members whose names are on the Company's Register of Members on 24th August 2020 and those whose names appear as Beneficial Owners as at the close of the business hours on 19th August 2020 as per the details to be furnished by the Depositories.
8. In accordance with the provisions of the Income Tax Act, 1961 as amended by and read with the provisions of the Finance Act, 2020, with effect from 1st April 2020, dividend declared and paid by the Company is taxable in the hands of its members and the Company is required to deduct tax at source (TDS) from dividend paid to the members at the applicable rates. A separate email will be sent at the registered email ID of the members describing about the detailed process to submit / upload the documents / declarations along with the formats in respect of deduction of tax at source on the dividend payout. Sufficient time will be provided for submitting the documents / declarations by the members who are desiring to claim beneficial tax treatment.
9. Dividend at the rate of Rs.100/- per Equity Shares of Rs.100/- each (100%) for the financial year ended March 31, 2020, after declaration at this AGM shall be paid to the Members whose names appear:
  - (a) as Beneficial Owners as at the close of business hours on Monday, August 18, 2020, as per the list to be furnished by the Depositories in respect of the Shares held in electronic form, and
  - (b) as Members in the Register of Members of the Company as on Monday, August 24, 2020, after giving effect to all valid Shares transfers in physical form which are lodged with the Company on or before Monday, August 18, 2020.
10. Profile of Directors as required under the Secretarial Standards on General Meetings (SS-2) as laid down by The Institute of Company Secretaries of India and additional information relating to the particulars of Directors who are proposed to be appointed/re-appointed at this AGM is given below.
11. This AGM will be convened through VC facility using Zoom online meeting Application (Zoom App) without physical presence of the Members at a common venue. The link for attending the AGM will be shared with all the Members. Please follow following stems to attend the AGM through Zoom App
  - (a) Open the Zoom app on your desktop >>Start button>> Zoom folder>> start Zoom
  - (b) Click on Sign in.
  - (c) On right side menu Select "Sign In with SSO".
  - (d) Enter your USQ username and password if prompted .
  - (e) Click on Join.
  - (f) Enter the Meeting ID (this is displayed in the email invitation).
  - (g) You can then choose whether to come into the meeting with your audio or video enabled or disabled.Email link:



- (I) You will receive an email invitation from the meeting host.
- (II) Click on the link in the email (join via PC, Mac, iOS or Android).
- (III) You will be taken to the meeting.

From the Zoom website:

- (I) Go to the zoom website (usq.zoom.us).
- (II) Click on Zoom Account Sign On (SSO) button.
- (III) Sign in with your USQ username and password if prompted.
- (IV) Click on the My Meetings tab.
- (V) Click on the Meeting link that you want to join.

12. The instructions for joining the meeting are given below:
- i. Members can participate in the AGM through desktop / laptop/smart phone / tablet. However, for better experience and smooth participation, it is advisable to join the Meeting through desktop / laptop connected through broadband.
  - ii. On desktop / laptop
    - a. Install Zoom cloud meeting application on your desktop / laptop.
    - b. On clicking the link to attend the AGM, please register for the AGM following directions displayed.
    - c. An email
  - iii. On smart phone / tablet
    - a. Download the Zoom app on your smart phone / tablet.
    - b. Zoom app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. This app can be downloaded without any charge.
    - c. On clicking the link to attend the AGM, a new page will open in the app which will ask for your name and email ID.
    - d. Fill name of the 1st shareholder as appearing in the demat account statement / share certificate
    - e. Fill the email ID registered with the depository / the Company
    - f. Click on submit
- Members who face any technical difficulty in accessing this app and in login, may contact the Company at Phone No. 0175-2215792
13. The meeting will be conducted following the below process:
- i. The link for joining the meeting will be made active 15 minutes prior to the meeting i.e. at 2.15 p.m. on 24th August 2020.
  - ii. Members are requested to join the meeting on time.
  - iii. Chairman of the AGM will make a statement on the affairs of the Company at the AGM.
  - iv. Members who have questions or seeking clarifications on the Annual Report or on the proposals as contained in this Notice are requested to send e-mail to the Company at email ID maltexmalsters.info@gmail.com on or before 5.00 pm on Saturday, 22nd August 2020. This would enable the Company to compile the information and provide the replies at the meeting. The Company will be able to answer only those questions at the meeting which are received in advance as per the above process.
  - v. The Company will allot time for members to express their views or give comments during the meeting. The members who wish to speak at the meeting need to register themselves as a speaker by sending an e-mail from their registered e-mail ID mentioning their name, DP ID and Client ID / Folio number and mobile number, on e-mail ID maltexmalsters.info@gmail.com on or before 5.00 p.m. on Saturday, 22nd



August, 2020. Depending on the availability of time, the Company reserves the right to restrict the number of speakers at the meeting.

- vi. Voting on the Resolutions contained in the Notice of AGM will be conducted as under:
- The members who have registered their email addresses with the Company / their depository can cast their vote electronically during the meeting.
  - Members who are holding shares in physical form and who have not registered their email ID with the Company, can write to company in by providing their name and folio number and vote electronically during the AGM. The credentials will be provided to the members after verification of all details.
  - The voting rights of shareholders shall be in proportion to their share of the paid-up equity share capital of the Company.
  - Members will be given time to cast their votes electronically.
  - Voting results will be declared immediately after all shareholders attending the AGM have cast their votes electronically.

**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 4:**

Mr. Brij Mohan Labroo was appointed as a Director of the Company effective 1st August 2020.

Consequent upon vacancy caused by the sad demise of Smt. Kanta Labroo, the Chief Executive Officer of the Company, effective July 31, 2020, Mr. Brij Mohan Labroo appointed as a Chief Executive Officer for a period of three years till July 31, 2023 by the Board of your Company at its meeting held on 31st July, 2020, subject to the approval of the Members at the Annual General Meeting.

Mr. Brij Mohan Labroo shall not be liable to retire by rotation.

The appointment letter of Mr. Brij Mohan Labroo will be available for inspection of the Members on request. Members may send their request to the Company through email at [maltexmalsters.info@gmail.com](mailto:maltexmalsters.info@gmail.com) until the date of the Annual General Meeting or any adjournment thereof.

Other than Mr. Brij Mohan Labroo, none of the Directors, Key Managerial Personnel of the Company and their relatives, are concerned or interested in the above Resolution.

Yours Directors recommend the above Resolution set out in Item No.4 as a Special Resolution for your approval.

**Registered Office :**  
Maltex House, Village Rauni  
Patiala  
Patiala, August 01, 2020

By Order of the Board  
R K Jindal  
Director  
DIN: 07571428

**DETAILS OF NEW DIRECTOR**

Particulars	Mr. Brij Mohan Labroo (B M Labroo)
Educational Qualification	Master of Arts Degree in Political Science from Punjab University
Experience	More than 40 years
Expertise in specific functional area	Having Experience in Top Management
Director Identification Number	00040433
Date of birth/Age	12.02.1931/ 90 years
Date of appointment	09.03.1999
Directorship held in other listed Companies in India	1. Ashai India Glass Ltd. 2. Samir Paging Systems Ltd. 3. Shield Auto Glass Ltd. 4. North West Distilleries Pvt. Ltd 5. Nishi Electronics Pvt Ltd. 6. Allied Fin cap Services Pvt Ltd.
Membership in Committees	NIL
Shareholding in MML	728 Equity Shares & 3678 Shares in the Capacity of HUF
Number of Board Meeting attended during the year	5
Sitting fees/Commission	Not Applicable

**DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT**

Particulars	Ms. Loveleena Labroo
Educational Qualification	Post Graduate
Experience	40 years
Expertise in specific functional area	General Administration & Management
Director Identification Number	01189549
Date of birth/Age	07.07.1959/ 61 years
Date of appointment	01.12.1977
Directorship held in other listed Companies in India	Samir Paging System Limited
Membership in Committees	N.A
Shareholding in MML	1260 Equity Shares of Rs 100.00 each
Number of Board Meeting attended during the year	2
Sitting fees/Commission	Entitled to receive sitting fees and commission, at the discretion of the Board as applicable to Directors

**DIRECTORS REPORT**

**Dear Members,**

Your directors have pleasure in presenting this 52nd Annual Report on the business and operations of the Company and the audited accounts of Maltex Malsters Limited ('MML') for the financial year ended March 31, 2020.

**1. FINANCIAL RESULTS**

Financial performance for the year ended March 31, 2020 is summarized below : (Rs. in lacs)

Particulars	Year Ended	
	31.3.2020	31.03.2019
Income from Business operation	<b>1349.55</b>	1282.55
Other Income	<b>42.05</b>	52.97
Total Income	<b>1391.60</b>	1335.52
Profit Before Depreciation & Interest	<b>172.47</b>	113.37
Depreciation & interest	<b>13.33</b>	7.67
<b>Profit before tax</b>	<b>159.14</b>	105.70
Less : Provision for tax (including current, deferred and other taxes)	<b>44.60</b>	30.17
<b>Net profit after tax</b>	<b>114.54</b>	75.53
Surplus as per last P & L	<b>27.30</b>	31.02
<b>Total</b>	<b>141.84</b>	106.55
Less : Transfer to General Reserve	<b>40.00</b>	25.00
Balance available for appropriation	<b>101.84</b>	81.55
Less : Dividend	<b>45.00</b>	45.00
Less : Dividend Tax	<b>9.25</b>	9.25
Balance carried Over as surplus to the P & L	<b>47.59</b>	27.30
Earnings per share	<b>254.53</b>	167.85

**2. FINANCIAL / OPERATIONAL PERFORMANCE.**

During the year under review, total revenue from operations increased by 4.96% i.e. Rs. 1349.55 lacs against revenue of Rs. 1282.55lacs in the previous financial year.

The net profit (after Tax) is also increased by 51.65% i.e. Rs. 114.54 lacs in the financial year 2019-20 as against Rs. 75.53 lacs in the previous financial year.

**3. TRANSFER TO GENERAL RESERVE**

The Company proposes to transfer Rs. 40.00 lacs to General Reserve.





**4. DIVIDEND**

Your Directors are pleased to recommend a dividend of Rs. 100/- per equity Equity Share of Rs. 100/- each for the year ended March 31,2020. The dividend declared for the previous year was Rs. 100/- per Equity Shares of Rs. 100/- each. The total dividend is Rs. 45 lacs, which amounts to about 39% of the Profit after Tax.

**5. SHARE CAPITAL**

The Authorized Share Capital of the Company stands at Rs. 100 lacs. The Issued, Subscribed and Paid-up Share Capital of the Company as on March 31,2020 remains unchanged at Rs. 45 lacs comprising 45,000 Equity Shares of Rs. 100/- each.

**6. HOLDING COMPANY**

United Breweries Limited (UBL) is the only holding company which holds 51% of equity share capital of the company.

**7. CASH FLOW STATEMENT**

A Cash Flow Statement for the year ended March 31, 2020 is appended.

**8. PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS**

Details of loans, guarantee and investments covered under Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements. The Company has not advanced loans to directors/to a company in which the director is interested to which provisions of Section 185 of the Companies Act, 2013 apply and has not given loans/guarantees/provide security to which provisions of Section 186 of the Companies Act, 2013 apply.

**9. DEPOSITS**

There were no outstanding deposits at the end of the previous financial year. The Company has not invited any deposits during the year.

**10. INTERNAL CONTROL SYSTEM**

The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. The internal control system is supported by an internal audit process for reviewing the adequacy and efficiency of the Company's internal controls, including its systems and processes and compliance with regulations and procedures.

**11. PARTICULARS OF EMPLOYEES & MANAGERIAL REMUNERATION**

No information is required to be given under Section 197 read with Rule 5(2) of the Companies (Appointment and remuneration of Managerial personnel) Rule 2014 since there is no employee who received remuneration in excess of prescribed limit.

**12. EMPLOYEES STOCK OPTION SCHEME AND SWEAT EQUITY SHARE**

The Company has not offered any shares to its employees or Key Managerial Personnel under a scheme of Employees' Stock Option and has also not issued any Sweat Equity Shares at any time.

**13. RELATED PARTY TRANSACTIONS :**

Details of transactions with related parties as defined in the Companies Act, 2013 and the Rules framed thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Accounting Standard 18 of the Companies (Accounting Standards) Rules, 2006, have been reported in the Notes to financial statements.



All transactions entered by the Company during Financial Year 2019-2020 with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company has not entered into any transaction with related parties which could be considered material transactions.

The Company undertakes processing of Barley for conversion in to Malt. As per the arrangement with the holding Company, the basic raw material i.e. Barley is supplied by the holding company and the Company returns it after conversion into malt. Conversion of barley into malt is the ordinary course of business of the Company and malt conversion charges as agreed with the holding company are comparable to market rates and therefore the transaction is considered to be ordinary course of business and arm's length basis.

The particulars of contracts and 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 are disclosed in Form No. AOC-2 which is annexed as in **ANNEXURE- A** and form part of this Report.

#### 14. CONSERVATION OF ENERGY

The Company is taking continuous steps to conserve energy.

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo, as stipulated under clause (m) of sub-section (3) of Section 134 of the Companies Act, 2013 read with rule 8(3) the Companies (Accounts) Rules, 2014 is set out herewith as **ANNEXURE-B** to this Report.

#### 15. BOARD OF DIRECTORS

The Board of Directors of the MML Company comprises of five Directors, with a balance combination of Executive Director and Non-Executive Directors. Mr. Rohtash Kumar Jindal, Directors retires by rotation at this AGM being eligible, offers themselves for re-appointment. The Board place on record Steven Bosch`s contribution during this tenure.

#### 16. OBITUARY

The Director of the Company express their deep condolences at the sad demise of Mrs. Kanta Labroo Director- CEO of the company on 22nd April, 2020.

The Directors place on record their deep appreciation for the valuable services rendered by Mrs. Kanta Labroo during her tenure as a Managing Director and Director-CEO for more than 48 years. During her tenure the Company has achieved various mile stones in achieving manufacturing best quality malt in the Country as the quality of your Company has been appreciated by all the UB Group of Companies.

#### 17. MEETINGS OF THE BOARD OF DIRECTORS

During FY20, Five (5) Board Meetings were held. The Intervening gap between the meetings was within the period prescribed under the Act the detail of Board meeting convened and attended by the directors are given below.

Sr. No.	Name of the Directors	No. of Meetings Attended
1	Smt. Kanta Labroo	3
2	Shri. B M Labroo	5
3	Ms. Loveleena Labroo	2
4	Shri. Rohtash Kumar Jindal	5
5	Shri. Govind Iyengar	2



**18. ANNUAL RETURN.**

As required, under sub-section (3) of Section 92 of the Companies Act, 2013 and Rule 12(1) of Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form MGT-9 is annexed as **ANNEXURE-C** to this report.

**19. AUDITORS AND THE AUDITORS' REPORT**

Pursuant to the provisions contained in the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. A Sharma & Co. (FRN: 002642N) Chartered Accountants were appointed Statutory Auditors of MML at the 51st Annual General Meeting for a period of 5 years i.e. from the conclusion of 52nd Annual General Meeting till the conclusion of 56th Annual General meeting. In terms of Section 139 of the Act, as amended by the Companies (Amendment) Act, 2017, appointment of Auditors need not be ratified at every AGM. Therefore, the Notice convening the ensuing AGM does not will carry any Resolution for ratification of appointment of Statutory Auditors. The Auditors have confirmed that they continue to fulfil the criteria for appointment as Auditors of the Company as prescribed under the Act and the Rules framed thereunder.

There are no qualifications, reservations or adverse remarks in the Auditor's Report.

**20. MATERIAL CHANGES AND COMMITMENT, IF ANY**

No material changes and commitments affecting the financial position of the Company have occurred from the close of the financial year 2019-20 to which this financial statements relate and till the date of this report.

**21. DETAILS OF SIGNIFICANT AND MATERIAL CHANGES AND ORDERS PASSED BY THE REGULATIONS, COURTS AND TRIBUNALS**

No order/s have been passed or stringent action taken by any Regulator or Court or Tribunal impacting the going concern status of the Company. The Company has complied with the requirements of the regulators on matters related to stakeholders, as applicable.

**22. SEGMENT REPORTING**

The Company operates in a single segment. Therefore, the disclosure requirements of accounting standards (AS)-17 on "Segment Reporting" issued by the Companies (Accounting Standards) Rules, 2006 is not applicable to the Company.

**23. HUMAN RESOURCES.**

The Company recognizes its employees as its most valuable assets and it has built an open, transparent and meritocratic culture to nurture this asset. Talent management is a key people planning tool that provides an integrated means of identifying, selecting, developing and retaining top talent within our organization. The Company has kept a sharp focus on employee engagement.

**24. VIGIL MECHANISM**

The provisions of Section 177 of the Act read with Rule 6 and 7 of the Companies (Meetings of the Board and its powers) Rules, 2014 are not applicable to the Company.

**25. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.**

During the year under review, there were no complaints filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**26. RISK MANAGEMENT POLICY.**

Risk management is the process of identification, assessment and prioritization of risks followed by



coordinated efforts to minimize, monitor and mitigate /control the probability and/or impact unfortunate events or to maximize the realization of opportunities. The company has laid down comprehensive Risk Assessment and Minimization procedure which is reviewed by the Board from time to time. These procedures are reviewed to ensure that executive management controls risk through means of a properly defined framework. The major risks have been identified by the company and its mitigation process/measures have been formulated in the areas such as business project execution, event, financial, human environment and statutory compliance.

## 27. CORPORATE SOCIAL RESPONSIBILITY

The provision of Companies Act,2013 regarding corporate social responsibility are not attracted to the company. Therefore, Company has not constituted a Corporate Social Responsibility Committee. The provisions of a Corporate Social Responsibility shall be complied by company as and when applicable

## 28. DIRECTORS RESPONSIBILITY STATEMENT.

Pursuant to clause(c) of sub-section (2) of Section 134 of the Companies Act, 2013, the Board of Directors report that:

- a) in the preparation of the Annual Accounts for the financial year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and ensured that such internal financials controls are adequate and were operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and ensured that such systems were adequate and operating effectively.

**All Annexures referred to in the Director's Report have been disclosed forming part of this Annual Report.**

## 29. ACKNOWLEDGMENTS AND APPRECIATION

Your Directors take this opportunity to express gratitude for valuable assistance and co-operation extended to the Company by financial institutions, banks, business associates, employees and other government authorities. Finally, your Directors would like to convey sincere appreciation to all the employees of the Company for their hard work and commitment.

By Authority of the Board  
**For & on behalf of the board of directors**

PLACE: NEW DELHI  
DATE : 1 August, 2020

**B.M. Labroor**  
Director  
DIN:00040433

**R.K. Jindal**  
Director  
DIN:07571428



**Annexure – A  
Form No. 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 transactions under third proviso thereto**

1. Details of contracts or arrangements or transactions not at arm's length basis – N.A.
  - (a) Name(s) of the related party and nature of relationship
  - (b) Nature of contracts / arrangements / transactions
  - (c) Duration of the contracts / arrangements / transactions
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
  - (e) Justifications for entering into such contracts or arrangements or transactions
  - (f) Date (s) of approval by the Board
  - (g) Amount paid as advances, if any
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

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

Sr. No.	Particulars	Detail
(a)	Name(s) of the related party	United Breweries Limited
(b)	Nature of relationship	Holding Company
(c)	Nature of contracts / arrangements / transactions	Job work
(d)	Duration of the contracts / arrangements / transactions	Till 31.03.2021
(e)	Salient terms of the contracts or arrangements or transactions including the value, if any	As per the agreement MML to convert Barley into malt on job work basis for which the raw material i.e. Barley being supplied by United Breweries Limited. Basanter Breweries P Limited/Blossom Industries Limited and Wave Distilleries & Breweries Limited The job work charges are payable on PMT basis as per the terms of agreement.

The value of transactions are well explained in the significant accounting policies.

- (f) Date(s) of approval by the Board, if any 17.02.2011
- (g) Amount paid as advances, if any Nil

**ANNEXURE "B" TO THE DIRECTORS REPORT**

INFORMATION RELATING TO ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO FORMING PART OF DIRECTORS REPORT IN TERMS OF SECTION 134(3) (M) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014

**(a) Conservation of Energy**

- (i) The steps taken or impact on conservation of energy Adequate steps has been taken to reduce and control the consumption of fuel & electricity.
- (ii) The steps taken by the company for utilizing alternate sources of energy N.A.
- (iii) The capital investment on energy conservation equipment's N.A.

**(b) Technology absorption**

- (i) The efforts made towards technology absorption The company has not absorbed any technology from any source.



(ii) The benefits derived like product improvement, cost reduction, product development or impact substitution	N.A.
(iii) In case of imported technology (Imported during the last three years reckoned from the beginning of the financial year)	N.A.
(a) The details of technology imported	N.A.
(b) The year of import;	N.A.
(c) Whether the technology been fully absorbed	N.A.
(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	N.A.
(iv) The expenditure incurred on Research and Development	N.A.
<b>(c) Foreign exchange earnings and Outgo</b>	
The Foreign Exchange earned in terms of actual inflows during the year :	NA
The Foreign Exchange outgo during the year in terms of actual outflows :	NA



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E-mail : jaspalanand@yahoo.co.in, Ph.: 0175-2215792

**ANNEXURE "C" TO THE DIRECTORS REPORT****FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN**

as on financial year ended on 31.03.2020

Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12 (1) of the Company (Management & Administration) Rules, 2014.

**I REGISTRATION & OTHER DETAILS :**

i	CIN	U15137PB1968PLC002895
ii	Registration Date	9.12.1968
iii	Name of the Company	Maltex Malsters Limited
iv)	Category/Sub-category of the Company	Public Limited Company
v	Address of the Registered Office & Contact details	<b>MALTEX HOUSE, Village Rauni, Nabha Road, Patiala Tel: 0175-2215792</b>
vi	Whether listed company	<b>NO</b>
vii	<b>Name, Address &amp; Contact details of the Registrar &amp; Transfer Agent, if any.</b>	<b>1) Maltex Malsters Limited, Maltex House, Rauni, Patiala 147001 for Shares in Physical Form Tel: 0175-2215792</b> <b>2) M/s Integrated Enterprises India Limited, 30 Ramana Residency, 4" Cross Sampige Road, Maileswaram, Bangalore 56003 For Demat for Shares</b>

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

SL No	Name & Description of main Products/Services	NIC Code of the Product/Service	% to total turnover of the company
1	Manufacturing of Barley Malt	15533	100%

**III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

SI No	Name & Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of Shares Held	Applicable Section
1	United Breweries Limited, Bangalore	L36999KA1999PLC025195	Holding Company	51%	2(46)

**IV SHARE HOLDING PATTERN (Equity Share capital Break up as % to total Equity)**

(i) Category - wise Share Holdings


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Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. Promoters</b>										
(1) Indian										
a) Individual/HUF	0	14022	14022	31.16	0	14022	14022	31.16	0	0
b) Central Govt. or State Govt.	0	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	22950	0	22950	51.00	22950	0	22950	51.00	0	0
d) Bank/FI	0	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL : (A) (1)</b>	<b>22950</b>	<b>14022</b>	<b>36972</b>	<b>82.16</b>	<b>22950</b>	<b>14022</b>	<b>36972</b>	<b>82.16</b>	<b>0</b>	<b>0</b>
(2) Foreign										
a) NRI-Individuals	0	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0	0
e) Any Other...	0	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	22950	14022	36972	82.16	22950	14022	36972	82.16	0	0
<b>B. PUBLIC SHAREHOLDING</b>										
(1) Institutions										
a) Mutual Funds	0	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0	0
g) FIIS	0	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (B) (1) :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
(2) Non Institutions										
a) Bodies Corporates	0	0	0	0	0	0	0	0	0	0
i) Indian	0	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0	0
i) Individuals Shareholders holding nominal share capital upto Rs. 1 Lakhs	0	6948	6948	15.44	0	6948	6948	15.44	0	0
ii) Individuals Shareholders holding nominal share capital in excess of Rs. 1 Lakhs	0	1080	1080	2.40	0	1080	1080	2.40	0	0
c) Others (Specify)	0	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (B) (2) :</b>	<b>0</b>	<b>8028</b>	<b>8028</b>	<b>17.84</b>	<b>0</b>	<b>8028</b>	<b>8028</b>	<b>17.84</b>	<b>0</b>	<b>0</b>
Total Public Shareholding (B) = (B) (1) + (B) (2)	0	8028	8028	17.84	0	8028	8028	17.84	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>22950</b>	<b>22050</b>	<b>45000</b>	<b>100</b>	<b>22950</b>	<b>22050</b>	<b>45000</b>	<b>100</b>	<b>0</b>	<b>0</b>




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**ii) Share holding of Promoters**

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Share holding during the year
		No. of Shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1.	Mr. B M Labroo & Sons (HUF)	3678	8.17	0	3678	8.17	0	0
2.	Mrs. Kanta Labroo	3370	7.49	0	3370	7.49	0	0
3.	Mr. B M Labroo	728	1.62	0	728	1.62	0	0
4.	Mr. Sanjay Labroo	1260	2.80	0	1260	2.80	0	0
5.	Ms. Loveleena Labroo	1260	2.80	0	1260	2.80	0	0
6.	Mr. Ajay Labroo	1260	2.80	0	1260	2.80	0	0
7.	Mrs. Makhni Labroo	1044	2.32	0	1044	2.32	0	0
8.	Mr. J M Labroo & Sons	810	1.80	0	810	1.80	0	0
9.	Mrs. Sushma Labroo	252	0.56	0	252	0.56	0	0
10.	Mr. Jawahar Malla	360	0.80	0	360	0.80	0	0
11.	United Breweries Ltd.	22950	51.00	0	22950	51.00	0	0
	Total	36972	82.16	0	36972	82.16	0	0

**iii) Change In Promoters' Shareholding (specify If There Is No Change)**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	No	No	No	No
	Promoters Share holding during the year specifying the reasons	No	No	No	No

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

Sl. No.		Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Mr. Jawahar Malla	360	0.80	360	0.80
2.	Mrs. RK Kutty	1080	2.40	1080	2.40
3.	Mrs. Dhanwanti Aggarwal	900	2.00	900	2.00
4.	Mr. S M Aggarwal & Sons, (HUF)	666	1.48	666	1.48
5.	Mrs. Sandhana Kachru	540	1.20	540	1.20
6.	Mrs. Mehru N Irani	360	0.80	360	0.80
7.	Mr. Dinesh Kumar Aggarwal	720	1.60	720	1.60
8.	Dr. Sushma Muttu W/o Lalit Muttu	630	1.40	630	1.40
9.	Mr. Siddhartha Shanker Tiwari	360	0.80	360	0.80
10.	Mrs. Zarin Kaiki Alpaiwala	360	0.80	360	0.80
	At the beginning of the year	5976	13.28	5976	13.28
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons	NA	NA	NA	NA
	At the end of the year (or on the date of separation, if separated during the year)	5976	13.28	5976	13.28


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v) Shareholding of Directors & KMP					
Sl. No.	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	At the beginning of the year (i) Mr. B. M. Labroo (ii) Mrs. Kanta Labroo (iii) Ms. Loveleena Labroo	728 3370 1260 <u>5358</u>	1.62 7.49 2.80 <u>11.91</u>	728 3370 1260 <u>5358</u>	1.62 7.49 2.80 <u>11.91</u>
2.	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	Nil	Nil	Nil	Nil
3.	At the end of the year	5358	11.91	5358	11.91

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial Year</b>				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	0	-	-	0
<b>Change in Indebtedness during the financial year</b>				
Additions	0	0	0	0
Reduction	0			0
<b>Net Change Indebtedness</b>	0	-	-	0
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	0	0	0	0
ii) Interest due but no paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	0	-	-	0

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole time director and/or Manager :**

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager				Total Amount
1	<b>Gross salary</b>					
	(a) Salary as per provisions contained in section 17(1) of the income tax, 1961	0				0
	(b) Value of Perquisites u/s 17(2) of the income tax act, 1961	0				0
	(c) Profits in lieu of salary under section 17(3) of the income tax act, 1961	0				0
2	Stock option	0				0
3	Sweat Equity	0				0
4	Commission as % of Profit others (specify)	0				0
5	Others, Please specify	0				0
	<b>Total (A)</b>	<b>0</b>				<b>0</b>
	<b>Ceiling as per the Act</b>					


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<b>B. Remuneration to other directors :</b>							
Sl. No.	Particulars of Remuneration	Name of the Directors					Total Amount
1	Independent Directors (a Fee for attending board committee meetings (b) Commission (c) Others, please specify	NA 0 0 0	NA 0 0 0	NA 0 0 0	NA 0 0 0	NA 0 0 0	- 0 0 0
	<b>Total (1)</b>	0	0	0	0	0	0
2	Other Non Executive Directors (a Fee for attending board committee meetings (b) Commission (c) Others, please specify	Mr. B.M. Labroo 25000 0 0	Mr. Rohtash Kumar Jindal 25000 0 0	Ms. Loveleena Labroo 10000 0 0			60000 0 0
	<b>Total (2)</b>	25000	25000	10000			60000
	<b>Total (B)=(1+2)</b>	25000	25000	10000			60000
	<b>Total Managerial Remuneration Overall Ceiling as per the Act.</b>	25000	25000	10000			60000

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total
1	Gross Salary	CEO	Company Secretary	CFO	Total	-
	(a) Salary as per provisions contained in section 17(1) of the income tax Act, 1961	3523200	Nil	Nil	3523200	3523200
	(b) Value of perquisites u/s 17(2) of the income tax Act, 1961	Nil	Nil	Nil	Nil	0
	(c) Profits in lieu of salary under section 17(3) of the income tax Act, 1961	Nil	Nil	Nil	Nil	0
2	Stock Option	Nil	Nil	Nil	Nil	0
3	Sweat Equity	Nil	Nil	Nil	Nil	0
4	Commission as % of profit others, specify	Nil	Nil	Nil	Nil	0
5	Others, Please specify	Nil	Nil	Nil	Nil	0
	<b>Total</b>	3523200	Nil	Nil	3523200	3523200

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

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



## INDEPENDENT AUDITOR'S REPORT

To the Members of Maltex Malsters Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone Financial Statements of M/s Maltex Malsters Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2020, and the Statement of Profit and Loss including Other Comprehensive Income, Statement of changes in Equity and Statement of Cash Flows for the year then ended on that date, notes to the standalone Financial Statements including a summary of significant accounting policies and other explanatory information ("the Standalone Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). 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 there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics issued by ICAI. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The following key audit matters have been determined by us for including in our report :



S.No.	Key Audit Matters	Auditor's Response
1	<p>Revenue from job work services to holding company is recognized with reference to the terms of agreement for such service.</p> <p>For the year ended 31st March, 2020, revenue amounting to Rs. 8.92 crores (excluding GST) is recognized based on the rate agreed with the holding company.</p> <p>This is a key audit matter due to its nature and extent since the revenue recognized from holding company amounts to 78% of the total revenue from operations.</p>	<p>We have performed the following procedures in relation to the accuracy of revenue recognised :</p> <ul style="list-style-type: none"><li>• We have evaluated and tested the company's process for recognising contract revenues.</li><li>• We have read the contracts with both related party and unrelated parties analysed and identified the performance obligations and determine the rates charged for job work services.</li><li>• We have tested the revenue recognised from related party whether the rates are charged as per the agreed terms of the contracts and also compared the rates charged to unrelated parties.</li><li>• We have also communicated to those charge with governance considering the significance of the matter and the reliability of the rates agreed, whether the rates charged are at Arm's Length basis.</li><li>• We have also considered the adequacy of financial report disclosures included in the summary of significant accounting policies in Note 1 to the standalone financial statements.</li></ul>

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

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Board report but does not include the financial statements and our auditor's report thereon which we obtained prior to the date of this auditor's report, and the Director's report, which is expected to be made available to us after that date.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable under the applicable laws and regulations.



### **Responsibilities of Management for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone 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.

In preparing the financial statements, the Board of Directors 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 the Board of Directors 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**

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

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

- ♦ Identify and assess the risks of material misstatement of the standalone 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 system in place and the operating effectiveness of such controls.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work, and (ii) to evaluate the effect of any undetected misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

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

2. As required by Section 143(3) of the Act, we report that :

(a) We have sought and 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, 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 Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended.

In our opinion and to the best of our information and according to the explanations gives to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of sections 197 of the Act.

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

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 1.4 (a) to the financial statements ;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For A. Sharma & Co.**  
Chartered Accountants  
FRN : 002642N

Place : New Delhi  
Date : 19-06-2020

Signature  
(CA Anil Sharma)  
Partner  
M.No. 81658





**Annexure A to the Independent Auditors' Report**

**Statement on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act**

1. In respect of the fixed assets :-

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

(b) As per information and explanations given to us, the fixed assets have been physically verified by the management at reasonable intervals, which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies between the book records and the physical inventory were noticed.

(c) As per explanation and documents produced to us, the title deeds of immovable properties are held in the name of the Company.

2. In respect of its inventories, as per information and explanations given to us:

(a) The inventories have been physically verified by the management at reasonable intervals during the year.

(b) There was no material discrepancies noticed on physical verification of inventory as compared to the book records.

3. The Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 189 of the Act.

4. As per information & explanations given to us, the Company has not given any loan, made any investment, given any security and guarantee during the year in terms of sections 185 and 186 of the Act. Hence, Para 3(iv) of the Order was not applicable to the company.

5. As per information and explanations given to us, the Company has not accepted any deposits from the public in terms of sections 73 to 76 & other relevant provisions of the Act. Hence, Para 3(v) of the Order was not applicable.

6. As per the information and explanations given to us, provisions for maintenance of cost records in terms of section 148 (1) of the Act and Companies (Cost records and audit) Rules, 2014 were not applicable to the Company. Hence Para 3 (vi) of the Order was not applicable.

7.(a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues with the appropriate authorities.

(b) According to the information and explanations given to us and records of the company examined by us in relation to income tax, sales tax, wealth tax, service tax, custom duty, excise duty, VAT and cess, the particulars of dues of income tax and Central Excise as at 31st March 2020 which have not been deposited on account of a dispute, are as follows-



Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Chapter V of the Finance Act, 1994	Service Tax	81,20,856 + Penalty of equal amount	1.10.2003 to 30.6.2009	Case have been remanded back by CESTAT, New Delhi to Commissioner Central Excise for re-consideration who has kept the matter in Call book Category in view of the department filing the SLP before the Apex Court.
Chapter V of the Finance Act, 1994	Service Tax	7,36,116 + Penalty U/s 75, 76 & 77	1.7.2009 to 31.3.2010	Case have been remanded back by CESTAT, New Delhi to Commissioner Central Excise, Chandigarh
Chapter V of the Finance Act, 1994	Service Tax	10,03,805+ Penalty U/s 75, 76 & 77	1.4.2010 to 31.3.2011	
Income Tax Act, 1961	Tax on assessment u/s 143(1) (a)	2,03,715/-	Assessment years 2017-18 to 2019-20	Rectification applications have been filed against the additions made which are pending.

8. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution, government, or bank or dues to debenture holders.
9. According to the information and explanations given to us, the Company has not raised any money by IPO and FPO. Further, the Company has no term loans during the year. Hence Para 3 (ix) of the Order was not applicable.
10. According to the information and explanations given to us, during the year, no fraud by the Company or on the Company by its officer or employees has been noticed or reported.
11. As per the explanation and documents provided to us by the Company, the managerial remuneration has been paid by the Company in accordance with the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
12. The Company is not a Nidhi Company hence reporting under this clause is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.



15. As per information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India. 1934.

**For A. Sharma & Co.**  
Chartered Accountants  
FRN : 002642N

Place : New Delhi  
Date : 19-06-2020

Signature  
(CA Anil Sharma)  
Partner  
M.No. 81658



**Annexure B to the Independent Auditors' Report**

**Report on the Internal Financial Controls under Section 143(3) (i) of the Act**

We have audited the internal financial controls over financial reporting of Maltex Malsters Limited ("the Company"), as of 31st March, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for the Internal Financial Controls with reference to standalone Financial Statements**

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

**Auditor's Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial



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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has in all respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For A. Sharma & Co.**  
Chartered Accountants  
FRN : 002642N

Place : New Delhi  
Date : 19-06-2020

Signature  
(CA Anil Sharma)  
Partner  
M.No. 81658

**MALTEX MALSTERS LIMITED**

Balance Sheet as at 31st March 2020

(All amounts in Indian Rupees, except as otherwise stated)

Particulars	Notes	As at 31st March 2020	As at 31st March 2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	2	<b>1,11,47,957</b>	73,88,775
(b) Capital work-in-progress		-	
(c) Financial Assets			
(i) Loans & Advances	3	<b>31,62,888</b>	29,77,308
(d) Deferred tax assets (net)	4	<b>5,61,348</b>	2,83,767
(e) Other non-current assets	5	<b>32,64,553</b>	38,14,007
<b>Current Assets</b>			
(a) Inventories	6	<b>1,63,29,792</b>	1,75,29,724
(b) Financial Assets			
(i) Trade receivables	7	<b>61,37,064</b>	97,12,442
(ii) Cash and Cash equivalents	8	<b>37,47,443</b>	22,41,607
(iii) Other Bank balances	9	<b>4,90,90,564</b>	4,55,83,625
(c) Current Tax Assets (Net)	10	<b>68,222</b>	23,26,649
(d) Other Current Assets	11	<b>4,14,855</b>	28,68,164
<b>Total Assets</b>		<b>9,39,24,686</b>	9,47,26,068
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	12	<b>45,00,000</b>	45,00,000
(b) Other Equity	13	<b>6,36,27,962</b>	5,75,99,508
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
(a) Provisions	14	-	-
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Trade payables	15	<b>40,95,584</b>	27,69,451
(ii) Other financial liabilities	16	<b>89,95,253</b>	54,24,255
(b) Other Current Liabilities	17	<b>1,18,83,202</b>	2,40,54,885
(c) Provisions	18	<b>822,685</b>	3,77,969
<b>Total Equity and Liabilities</b>		<b>9,39,24,686</b>	9,47,26,068

**Significant Accounting Policies and Other Explanatory Notes**

For &amp; on behalf of the board of directors

**B M LABROO**  
Director  
DIN : 00040433

**R.K. JINDAL**  
Director  
DIN : 07571428

**For A. Sharma & Co.**  
Chartered Accountants  
FRN : 002642N

Place : New Delhi  
Date : 19-06-2020

(Anil Sharma)  
Partner  
M.No. 081658

**MALTEX MALSTERS LIMITED**

Statement of Profit and Loss for the year ended 31st March, 2020

(All amounts in Indian Rupees, except as otherwise stated)

	Particulars	Notes	Year Ended 31.03.2020	Year Ended 31.03.2019
I	Revenue From Operations (net of GST)	19	<b>13,49,55,313</b>	12,82,54,666
II	Other Income	20	<b>42,04,554</b>	52,97,894
III	<b>Total Income (I+II)</b>		<b>13,91,59,867</b>	13,35,52,560
IV	<b>EXPENSES</b>			
	Processing Expenses	21	<b>8,30,20,901</b>	8,46,92,099
	Changes in inventories	22	<b>(34,54,089)</b>	5,49,531
	Employee benefits expense	23	<b>2,77,24,168</b>	2,86,05,681
	Depreciation and amortization Expense	2	<b>13,32,960</b>	7,67,641
	Other Expenses	24	<b>1,46,22,167</b>	83,67,308
	<b>Total Expenses (IV)</b>		<b>12,32,46,107</b>	12,29,82,260
V	Profit (loss) before exceptional items and tax (III-IV)		<b>1,59,13,761</b>	1,05,70,300
VI	Exceptional Items		-	-
VII	<b>Profit/(loss) before tax (V-VI)</b>		<b>1,59,13,761</b>	1,05,70,300
VIII	Tax Expense :			
	(1) Current Tax	45,12,133		26,67,296
	(2) Tax for earlier year	2,25,555		
	(3) Deferred Tax	(2,77,581)	<b>44,60,107</b>	3,49,653
IX	<b>Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>1,14,53,654</b>	75,53,351
X	Profit(loss) from discontinued operations		-	-
XI	Tax expense of discontinued operations		-	-
XII	Profit (loss) from Discontinued operations (after tax) (X-XI)		-	-
XIII	Profit (loss) for the period (IX-XII)		<b>1,14,53,654</b>	75,53,351
XIV	Other Comprehensive Income			
	A(i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XV	<b>Total Comprehensive Income for the period (XIII+XIV)</b> <b>(Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>1,14,53,654</b>	75,53,351
XVI	Earnings per equity share (for continuing operation)			
	(1) Basic		254.53	167.85
	(2) Diluted		254.53	167.85
XVII	Earnings per equity share (for discontinued operation) :			
	(1) Basic		-	-
	(2) Diluted		-	-
XVIII	Earnings per equity share (for discontinued & continuing operations)			
	(1) Basic		254.53	167.85
	(2) Diluted		254.53	167.85

For &amp; on behalf of the board of directors.

B.M. LABROO  
Director  
DIN : 00040433R.K. JINDAL  
Director  
DIN : 07571428**AS PER OUR SEPARATE REPORT OF EVEN DATE ANNEXED****For A SHARMA & Co.**

Chartered Accounting

FRN 002642N

ANIL SHARMA

PARTNER

M. No. 081658

PLACE : NEW DELHI  
DATED : 19-06-2020

**MALTEX MALSTERS LIMITED****Statement of changes in equity for the ended 31st March, 2020**

(All amounts in Indian Rupees, except as otherwise stated)

**a) Equity Share Capital (Note 10)****Equity Shares of Rs. 100 each issued, subscribed and fully paid**

Particulars	As at March 31, 2020		As at March 31, 2019	
	Numbers	Amount	Numbers	Amount
Balance at the beginning of the year	45,000	45,00,000	45,000	45,00,000
Changes during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>45,000</b>	<b>45,00,000</b>	45,000	45,00,000

**b) Other equity (Note 11)**

Particulars	for the year ended Mar 31st 2020			Total
	Capital Reserve	General Reserve	Retained Earnings	
Balance as at April 1, 2018	1,31,776	5,22,37,296	31,02,293	5,54,71,365
Profit for the year	-	-	75,53,343	75,53,343
Other comprehensive income	-	-	-	-
Transfer from retained earnings	-	25,00,000	(25,00,000)	-
Dividends	-	-	(45,00,000)	(45,00,000)
Dividend distribution tax	-	-	(9,25,200)	(9,25,200)
<b>Balance as at March 31, 2019</b>	<b>1,31,776</b>	<b>5,47,37,296</b>	<b>27,30,436</b>	<b>5,75,99,508</b>
Balance as at April 1, 2019	1,31,776	5,47,37,296	27,30,436	5,75,99,508
Profit for the year	-	-	1,14,53,654	1,14,53,654
Other comprehensive income	-	-	-	-
Transfer from retained earnings	-	40,00,000	(40,00,000)	-
Provision for tax	-	-	-	-
Dividends	-	-	(45,00,000)	(45,00,000)
Dividend distribution tax	-	-	(9,25,200)	(9,25,200)
<b>Balance as at March 31st, 2020</b>	<b>1,31,776</b>	<b>5,87,37,296</b>	<b>47,58,890</b>	<b>6,36,27,962</b>

For &amp; on behalf of the board of directors

**B.M. LABROO**  
Director  
DIN : 00040433

**R.K. JINDAL**  
Director  
DIN : 07571428

**AS PER OUR SEPARATE REPORT OF EVEN DATE ANNEXED**

For A SHARMA & Co.  
Chartered Accounting  
FRN 002642N

ANIL SHARMA  
PARTNER  
M. No. 081658

PLACE : NEW DELHI  
DATED : 19-06-2020



**MALTEX MALSTERS LIMITED****Cash Flow Statement for the year ended 31st March 2020**

(All amounts in Indian Rupees, except as otherwise stated)

	Particulars	As At 31.03.2020	As At 31.03.2019
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit / (Loss) after Extra Ordinary Items before Tax per Statement of Profit and Loss :	<b>1,59,13,761</b>	1,05,70,292
	<b>Adjustments for :</b>		
	Depreciation	<b>13,32,960</b>	7,67,641
	Interest accrued on receivable	<b>(38,04,235)</b>	(44,59,952)
	Income Tax for earlier year	<b>(2,25,555)</b>	--
	Income Tax paid	<b>(45,12,133)</b>	37,54,476
		<b>(72,08,963)</b>	62,165
	<b>Operating Profit before Working Capital Changes</b>	<b>87,04,798</b>	1,06,32,457
	<b>Adjustments for Changes in Working Capital :</b>		
	Increase / (Decrease) in liabilities	<b>(68,29,836)</b>	59,05,026
	(Increase) / Decrease in Inventories	<b>11,99,932</b>	(14,57,788)
	(Increase) / Decrease in Trade Receivables	<b>35,75,377</b>	(71,81,392)
	(Increase) / Decrease in Loans & Advances	<b>15,68,671</b>	(35,01,769)
		<b>(4,85,856)</b>	(62,35,923)
	<b>Net Cash from Operating Activities (A)</b>	<b>82,18,942</b>	43,96,534
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of fixed assets	<b>(54,16,435)</b>	(26,55,651)
	Sale of Fixed Assets	<b>94,225</b>	-
	Capital WIP	-	40,285
	Assets Written off	<b>2,30,069</b>	-
	Interest income from receivable	<b>38,04,235</b>	44,59,952
	<b>Net Cash from Investing Activities (B)</b>	<b>(12,87,906)</b>	18,44,586
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Dividend and Dividend distribution tax paid	(54,25,200)	(54,25,200)
	Provision for Income Tax/Adjusted	-	-
	(Decrease) / Increase in Loan amount	-	-
	<b>Net Cash used in Financing Activities (C)</b>	(54,25,200)	(54,25,200)
	Net Increase [+] / Decrease (-) in Cash & Cash Equivalents (A+B+C)	15,05,836	8,15,922
	Cash & Cash Equivalents as at beginning (Opening Balance)	22,41,607	14,25,685
	Cash & Cash Equivalents as at end (Closing Balance)	37,47,443	22,41,607

For &amp; on behalf of the board of directors

**B.M. LABROO**  
Director  
DIN : 00040433

**R.K. JINDAL**  
Director  
DIN : 07571428

**AS PER OUR SEPARATE REPORT OF EVEN DATE ANNEXED**

For A SHARMA & Co.  
Chartered Accounting  
FRN 002642N

ANIL SHARMA  
PARTNER  
M. No. 081658

PLACE : NEW DELHI  
DATED : 19-06-2020

**MALTEX MALSTERS LIMITED**

Note No. 1 : Significant accounting policies and other explanatory notes to financial statements for the year ended 31st March, 2020

**1.1 Corporate information**

Maltex Malsters Limited ("MML" or "the Company") is a public limited company domiciled in India and incorporated under the provisions of the Indian Companies Act. The registered office of the Company is located at MALTEX HOUSE, Rauni, Patiala, Punjab, 147001. The Company is primarily engaged in the manufacturing of malt on contract basis. The Company has manufacturing facilities in India.

**1.2 Basis of preparation of financial statements**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

The financial statements have been prepared on a historical cost basis, except for assets and liabilities which have been measured at fair value. The financial statements are presented in Indian Rupees ("INR").

**1.3 Summary of significant accounting policies****(a) Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- expected to be realized or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:

- expected to be settled in normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**(b) Fair value measurement**

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the

**MALTEX MALSTERS LIMITED**

Note No. 1 : Significant accounting policies and other explanatory notes to financial statements for the year ended 31st March, 2020

principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole :

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. External valuers are involved, wherever considered necessary.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above. This note summarizes accounting policy for fair value and the other fair value related disclosures are given in the relevant notes.

**(c) Revenue recognition****(i) Revenue from Contracts**

The company has adopted Ind AS 115 "Revenue from Contracts with customers," which was notified under the company (Indian Accounting Standards) Rule, 2015 (as Amended) and made applicable from 01.04.2018. The revenue has been recognized in accordance with the following five step model:

- i. Identify contract with customer
- ii. Identify performance obligation in contract
- iii. Determine transaction price
- iv. Allocate the transaction price to the performance obligations in the contract
- v. Recognize revenue when the company satisfies performance obligation



**MALTEX MALSTERS LIMITED**

Note No. 1 : Significant accounting policies and other explanatory notes to financial statements for the year ended 31st March, 2020

**Sale of services**

Service income is recognized, on the basis of performance obligations, at agreed rates in accordance with the terms of the agreement.

In case of fixed price contracts, the customer pays the amount based on agreed prices. If the services rendered by the company exceed the payment, a contract asset is recognized. If the payment exceeds the services rendered, a contract liability is recognized.

**Sale of products**

Revenue from the sale of products is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. And there is no unfulfilled obligation that could affect the buyers acceptance of products. Revenue from the sale of products is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

**(ii) Interest income**

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. Interest income is included under the head "other income" in the statement of profit and loss.

**(d) Taxes**

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in OCI or in equity in correlation to the underlying transaction). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities and assets are recognized for all taxable temporary differences, except :

- when the deferred tax liability or asset arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiary and associate, when the timing of the reversal of the temporary differences can be controlled and it is



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Note No. 1 : Significant accounting policies and other explanatory notes to financial statements for the year ended 31st March, 2020

probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity in correlation to the underlying transaction).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**Sales/ value added taxes paid on acquisition of assets or on incurring expenses**

When the tax incurred on purchase of assets or services is not recoverable from the taxation authority, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable. Otherwise, expenses and assets are recognized net of the amount of sales/ value added taxes paid. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

**(e) Property, plant and equipment**

Tangible assets are stated at cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Direct costs are capitalized until the assets are ready for use and include inward freight, duties, taxes and expenses incidental to acquisition and installation. Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

Depreciation on tangible assets is provided on the written down value (WDV) Method over the estimated useful lives prescribed under Schedule II to the Companies Act, 2013

For the purpose of depreciation calculation, residual value is determined as 5% of the original cost for all the assets, as prescribed under Schedule II to the Companies Act, 2013.



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An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**(f) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**(g) Leases**

In terms of IND AS 116, Lease arrangements, where the risks and rewards incidental to ownership of an asset substantially vest with lessor, are recognized as operating lease.

Lease payments under operating lease are recognized as expense in statement of profit and loss.

**(h) Inventories**

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, packing materials and bottles, Stores and spares: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Finished goods and Work-in-progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Stock-in-trade: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Cost is determined on a weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

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**(i) Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

**(j) Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is





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recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**(k) Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

The contributions to provident fund are charged to the statement of profit and loss on an accrual basis.

Retirement benefit in the form of superannuation fund is a defined Group Gratuity contribution scheme with Life Insurance Corporation of India. The Company has established a Superannuation Fund Trust to which contributions are made monthly. The Company recognizes contribution payable to the superannuation fund scheme as expenditure, when an employee renders the related service. The Company has no other obligations beyond its monthly contributions.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end.

**(l) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.





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Note No. 1 : Significant accounting policies and other explanatory notes to financial statements for the year ended 31st March, 2020

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

**De-recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure. The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The twelve-month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original EIR. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the profit or loss.



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Note No. 1 : Significant accounting policies and other explanatory notes to financial statements for the year ended 31st March, 2020

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

**Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include borrowings, trade and other payables, and derivative financial instruments.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification. Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading, unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Borrowings is the category most relevant to the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

**De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.



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Note No. 1 : Significant accounting policies and other explanatory notes to financial statements for the year ended 31st March, 2020

**Reclassification of financial assets and liabilities**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no re-classification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a re-classification is made only if there is a change in the business model for managing those assets. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the re-classification prospectively from the re-classification date, which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

**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.

**(m) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet and cash flow statement comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**(n) Cash dividend to equity holders**

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**(o) Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(p) Significant accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these

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assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The judgements, estimates and assumptions management has made which have the most significant effect on the amounts recognized in the financial statements are explained in relevant notes in the financial statements.

**1.4 Contingent liabilities and commitments****a) Contingent liabilities**

i) For the period 01.10.2003 to 30.06.2009 demand of Rs. 81,20,856/- with penalty of equal amount had confirmed by the Commissioner, Central Excise, Chandigarh for which the Company has filed Appeals before Excise Tribunal, New Delhi and the same have been remanded back to Commissioner Central Excise, Ludhiana for re-consideration who has kept the matter in Call Book Category in view of the department filing the SLP before the Apex Court. The Company had paid Rs. 5,00,000/- against the same.

ii) For the period 01.07.2009 to 31.03.2010 & for the period 01.04.2010 to 31.03.2011, service tax demands of Rs.7,36,136/- & Rs.10,03,805/- respectively, exclusive of penalty, have also been confirmed by the Commissioner, Central Excise, Ludhiana for which the Company has filed Appeals before Excise Tribunal, New Delhi and the same have been remanded back to Commissioner Central Excise, Chandigarh.

**iii) The following rectification applications relating to Income tax are pending.**

Income tax Act, 1961	Tax on assessment u/s 143(1)(a)	2,03,715/-	Assessment years 2017-18 to 2019-20	Rectification applications have been filed against the additions made which are pending.
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**b) Commitments**

i) Estimated amount of contracts remaining to be executed on capital account and not provided for - Rs. Nil (previous year Rs. 10.40 Lakhs including GST).

ii) The board of Directors of the company has proposed a dividend of Rs. 100 per equity share of Rs. 100 each on 45,000 equity shares amounting to Rs. 45,00,000. The proposal is subject to approval of the members of the company in the forthcoming annual general meeting.

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Note No. 1 : Significant accounting policies and other explanatory notes to financial statements for the year ended 31st March, 2020

**1.5 Other Explanatory Notes****i) Revenue from Operations:**

The company derives following types of revenue (Refer Note 17):

<b>Particulars</b>	<b>2019-20</b>	2018-19
Revenue from Contracts with customers	<b>12,83,70,681</b>	12,40,01,147
Other Revenues	<b>65,84,632</b>	42,53,519
	<b><u>13,49,55,313</u></b>	<u>12,82,54,666</u>

The Company has also recognized following contract balances:

<b>Particulars</b>	<b>2019-20</b>	2018-19
<b>Contract liabilities</b>		
Advance received from customers	<b>1,14,24,896</b>	2,34,35,433
<b>Contract Assets</b>		
Trade Receivables	<b>44,54,164</b>	89,90,036
work in progress	<b>1,01,20,854</b>	66,66,765

The present production capacity of the company is 21700 metric Ton. The actual production during the year was 21862.545 metric tons. The production capacity has been utilized as given below:

Holding Company (United Breweries Limited)	77.29%
Other Companies	22.71%

As per the contract, raw material is supplied by the Companies with whom job work contracts has been entered. Any variance in the production due to quality of raw material is in the account of the contractee companies. Any realization from sale of by-production (Production waste) such as thin barley and malt clums generated during the process is income of the contractor company.

Goods manufactured for and on behalf of the customer are stored in the contactor Company's premises. However, risk of any damage or loss is to borne by the contractee company. Revenue being processing charges as per the agreed rate is accounted for in the books of account when the goods are received by the contractee as per revised terms and condition agreed with contractee. Actual cost of processing on the goods lying in the godown for and on behalf of the customer are reflected as "Work-in-progress" in the books of accounts of the company. At the close of the year 1727.530 metric ton was lying in the godowns of the company and the 157.110 MT was in "Work in progress" and 271.940 was in transit.

Contracts Liabilities include advance received from customers to render job work services as per the terms of agreement with the customers.

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Note No. 1 : Significant accounting policies and other explanatory notes to financial statements for the year ended 31st March, 2020

**ii) Segment Reporting**

The company is a single segment company and therefore, there is nothing to report under Segment Reporting.

**iii) Details of foreign exchange transactions :**

a)	Value of imports calculated on CIF basis:	
	Components and spare parts:	Nil (Previous year Nil)
	Capital goods	Nil (Previous year Nil)
b)	Earnings in foreign exchange on FOB basis:	
	Export of goods/services	Nil (Previous year Nil)
	Other Income	Nil (Previous year Nil)

**iv) Related Parties transactions****a) List of Related Parties:**

Key Management personnel :

Mrs. Kanta labroo, CEO Director (up to 28-NOV-19)  
 Mr. B.M. Labroo, Director  
 Ms. Loveleena Labroo, Director  
 Mr. Rohtash Kumar Jindal, Director

S.No.	Particulars	With Holding Co.		With company in which KMPs are interested		With Managing & other directors		With Other KMP	
		Y.E. 31.03.2020	Y.E. 31.03.2019	Y.E. 31.03.2020	Y.E. 31.03.2019	Y.E. 31.03.2020	Y.E. 31.03.2019	Y.E. 31.03.2020	Y.E. 31.03.2019
1	Processing Charges Received	8,80,94,056	9,82,64,961	--	--	--	--	--	--
2	GST/Excise Duty Recovered	43,86,764	49,13,248	--	--	--	--	--	--
3	Managing Director Remuneration	--	--	--	--	--	--	--	--
4	Remuneration	--	--	--	--	--	--	3523200	2177067
5	Contribution for Provident fund for Managing Directors	--	--	--	--	--	--	114240	163280
6	Meeting Fee to Directors 1. Mr. B.M. Labroo 2. R.K. Jindal 3. Mrs. Loveleena Labroo	--	--	--	--	25000 25000 10000	25000 20000 5000	--	--
7	Rent Paid	--	--	36,000	36,000	--	--	--	--
8	Truck Freight Charged	--	--	--	--	--	--	--	--
9	Expenses incurred on their behalf during the year and further recovered	580193	181508	--	--	--	--	--	--
10	Interest on trade receivable	--	--	--	--	--	--	--	--
11	Dividend Paid	22,95,000	22,95,000	--	--	4,40,600	4,40,600	3,37,000	3,37,000
12	Advance Received	1,14,24,896	2,34,35,433	--	--	--	--	--	--



**MALTEX MALSTERS LIMITED**

Note No. 1 : Significant accounting policies and other explanatory notes to financial statements for the year ended 31st March, 2020

Mr. Govind Iyengar, Director

Holding company :  
Enterprise in which Key  
Management personnel is  
Interested :

United Breweries Limited

North West Distilleries Private Limited

**1.6 GST Input Credit –**

a) GST Input credit on exempt sale for the following years has been reversed at the time of filling annual return of these years.

Year	Amount
2017-18	4,03,930
2018-19	7,01,489
2019-20	8,29,156
TOTAL	19,34,575

**1.7 Provision -**

The provision of Rs. 20,000,00.00 towards Gratuity to Mrs. Kanta Labroo, Director\_ CEO of the Company has been made in the books of Account on completions of her terms.

Mrs Kanta labroo, Director\_CEO was appointed in the Extra Ordinary General Meeting of the Share Holders of the Company for the period of 29th November 2016 to 28th November 2019. Earlier she was associated with the company as WTD/MD for 48 years.

**1.8 COVID -19**

COVID-19 has caused significant disruptions to businesses across India. The management has considered the possible effects, if any, that may impact the carrying amounts of inventories, receivables and intangibles (including goodwill). In making the assumptions and estimates relating to the uncertainties as at the balance sheet date in relation to the recoverable amounts, the management has considered subsequent events, internal and external information and evaluated economic conditions prevailing as at the date of approval of these financials results. The management expects no impairment to the carrying amounts of these assets. The management will continue to closely monitor any changes to future economic conditions and assess its impact on the operations.



**MALTEX MALSTERS LIMITED**

**NOTE - 2 PROPERTY, PLANT AND EQUIPMENT**

(Amount in Rs.)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01-04-2019	Additions during the year	Sale/ Discarded during the year	As at 31-03-2020	As at 01-04-2019	For the year Period 1.4.2019 to 31.03.2020	Sale/ Discarded during the year	As at 31-03-20	As at 31-03-2020	As at 31-03-19
Land (Free Hold)	1,08,854	-	-	1,08,854	-	-	-	-	1,08,854	1,08,854
Buildings	1,41,04,241	12,27,200	-	1,53,31,441	1,19,98,436	2,22,736		1,22,21,172	31,10,269	21,05,805
Plant & Equipments	6,17,23,732	29,31,400	86,32,497	5,60,22,635	5,69,31,301	8,93,454	84,16,684	4,94,08,071	66,14,564	47,92,431
Motor Vehicles	37,32,226	12,39,935	15,88,480	33,83,681	35,21,800	1,44,417	14,80,000	21,86,217	11,97,464	2,10,426
Furniture & Fittings	4,53,154	17,900	-	4,71,054	4,40,140	2,326	-	4,42,466	28,588	13,014
Office Equipments	3,62,745	-	-	3,62,745	2,04,500	70,027	-	2,74,527	88,218	1,58,245
<b>Total (Rs.)</b>	8,04,84,952	54,16,435	1,02,20,977	7,56,80,410	7,30,96,177	13,32,960	98,96,684	6,45,32,453	1,11,47,957	73,88,775
<b>Previous Year</b>	7,78,29,301	26,55,651	-	8,04,84,952	7,23,28,536	7,67,641	-	7,30,96,177	73,88,775	-





## MALTEX MALSTERS LIMITED

PARTICULARS	As at 31.03.2020		As at 31.03.2019	
	Rs.	Rs.	Rs.	Rs.
<b>Note-3 : NON CURRENT LOANS &amp; ADVANCES (Unsecured, considered good)</b>				
Security Deposit		29,77,308		29,77,308
Add - Interest receivable on PSEB security		1,85,580		-
		<u>31,62,888</u>		<u>29,77,308</u>
<b>Note-4 : DEFERRED TAX ASSETS</b>				
Opening Balance		2,83,767		6,33,420
Add/(Less) : Provision for Deferred Tax Assets/(Liability) during the year		2,77,581		(3,49,653)
		<u>5,61,348</u>		<u>2,83,767</u>
The components of deferred tax (liability) / assets (net) :				
<b>Particulars</b>	<b>Opening as at 01.04.2019</b>	<b>Relating to current year</b>	<b>Deferred tax (Liabilities)/ Asset as at 31.03.2020</b>	
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	
Timing differences on account of :				
Difference between value of Fixed Assets as per books and as per Income Tax	1,79,627	(1,21,679)	57,948	
On account of disallowance under section 43B of the Income Tax Act	1,04,140	3,99,260	5,03,400	
Net Deferred Tax Asset	2,83,767	2,77,581	5,61,348	
<b>NOTE : 5 OTHER NON-CURRENT ASSETS (Unsecured, considered good)</b>				
Balance with govt. authorities		32,64,553		38,14,007
		<u>32,64,553</u>		<u>38,14,007</u>
<b>NOTE : 6 INVENTORIES</b>				
Stores & Spares		39,74,852		58,51,205
Production Waste		22,34,087		50,11,755
Work-in-Progress		87,61,154		66,66,765
Work-in-Progress (processing charges)		13,59,700		
		<u>1,63,29,792</u>		<u>1,75,29,724</u>
<b>NOTE : 7 TRADE RECEIVABLES (Unsecured considered good)</b>				
Outstanding for a period exceeding six months		1,50,772		25,60,940
Others		59,86,292		71,51,502
		<u>61,37,064</u>		<u>97,12,442</u>
<b>NOTE : 8 CASH &amp; CASH EQUIVALENTS</b>				
Balance with Banks				
- In Current Accounts	37,41,449		22,24,585	
Cash in Hand (as certified)	5,994	37,47,443	17,022	22,41,607
<b>NOTE : 9 OTHER BANK BALANCES</b>				
Balance with Banks (FDR)	4,90,90,564		4,55,83,625	
		<u>4,90,90,564</u>		<u>4,55,83,625</u>



**MALTEX MALSTERS LIMITED**

PARTICULARS	As at 31.03.2020		As at 31.03.2019	
	Rs.	Rs.	Rs.	Rs.
<b>Note-10 : CURRENT TAX ASSETS (NET)</b>				
Advance Tax and Tax deducted at source	45,80,355		1,19,59,440	
Less : Provision for Income Tax	<u>(45,12,133)</u>	68,222	<u>(96,32,791)</u>	23,26,649
<b>Note-11 : OTHER CURRENT ASSETS</b>				
Advances recoverable in cash or in kind or value to be received and or adjusted	1,17,669		1,61,535	
Advance to supplier	64,968		20,53,473	
Prepaid Expenses	<u>2,32,218</u>		<u>6,53,156</u>	
		4,14,855		28,68,164



## MALTEX MALSTERS LIMITED

PARTICULARS	As at 31.03.2020		As at 31.03.2019		
	Rs.	Rs.	Rs.	Rs.	
<b>Note-12 : SHARE CAPITAL</b>					
<b>Authorised</b>					
<b>1,00,000 (1,00,000) Equity Shares</b>					
<b>of Rs. 100/- each</b>		<u>1,00,00,000</u>		<u>1,00,00,000</u>	
<b>Issued Subscribed and Paid up</b>					
45,000 (45,000) Equity Shares of Rs. 100/- each fully paid up (including 32,500 Equity Shares allotted as fully paid up Bonus Shares by capitalisation of General Reserve of Rs. 32,50,000/-)		<u>45,00,000</u>		<u>45,00,000</u>	
<b>Reconciliation of Shares outstanding (Equity shares of Rs. 100/- each)</b>					
Opening Balance		45,000		45,000	
Add : Issued during the year		-		-	
Less : Buy Back during the year		-		-	
Closing Balance		<u>45,000</u>		<u>45,000</u>	
<b>Detail of Shareholders holding more than 5% shares</b>					
		31.03.2020		As at 31.03.2019	
<b>Name</b>	<b>No. of Shares held</b>	<b>% of Shareholding</b>	<b>No. of Shares held</b>	<b>% of Shareholding</b>	
<b>1. United Breweries Ltd. holding company</b>	<b>22,950</b>	<b>51.00%</b>	<b>22,950</b>	<b>51.00%</b>	
<b>2. Mr. B.M. Labroo (Individual) &amp; B.M. Labroo &amp; Sons (HUF) in the capacity of Karta</b>	<b>4,406</b>	<b>9.79%</b>	<b>4,406</b>	<b>9.79%</b>	
<b>3. Mrs. Kanta Labroo</b>	<b>3,370</b>	<b>7.50%</b>	<b>3,370</b>	<b>7.50%</b>	
<b>Note-13 : RESERVES &amp; SURPLUS</b>					
a) Capital Reserve					
As per last Balance Sheet		1,31,776		1,31,776	
b) General Reserve					
As per last Balance Sheet	5,47,37,296		5,22,37,296		
Add : Transferred from Surplus	<u>40,00,000</u>	<u>5,87,37,296</u>	<u>25,00,000</u>	<u>5,47,37,296</u>	
c) Surplus					
As per last Balance Sheet	27,30,436		31,02,293		
Add : Profit during the year	1,14,53,654		75,53,343		
Less : Transfer to General Reserve	40,00,000		25,00,000		
Less : Appropriation					
Provision for Income Tax	-		-		
Dividend Paid*	45,00,000		45,00,000		
Tax on Dividend**	9,25,200	47,58,890	9,25,200	27,30,436	
		<u>6,36,27,962</u>		<u>5,75,99,508</u>	
* Dividend has been paid @ Rs. 100 per Share (Previous year Rs. 100 per Share)					
** Dividend distribution Tax has been paid @ 20.56% of Dividend amount.					



**MALTEX MALSTERS LIMITED**

<b>Note-14 : NON CURRENT PROVISION</b>	-	-
	<u>-</u>	<u>-</u>
<b>Note-15 : TRADE PAYABLES</b>		
Payables to MSME	-	
Other Trade Payables	<b>40,95,584</b>	27,69,451
	<u>40,95,584</u>	<u>27,69,451</u>
<b>Note-16 : OTHER FINANCIAL LIABILITIES</b>		
Security Deposit	<b>6,00,000</b>	6,00,000
Payable to Directors	<b>51,092</b>	29,000
Expenses Payable	<b>22,18,396</b>	24,43,184
For Employee Benefits	<b>61,25,765</b>	23,52,071
For Others	<b>89,95,253</b>	54,24,255
	<u>89,95,253</u>	<u>54,24,255</u>
<b>Note-17 : OTHER CURRENT LIABILITIES</b>		
Statutory dues payable	<b>4,12,170</b>	4,41,912
Advance Received from Customers*	<b>1,14,71,032</b>	2,36,12,973
	<u>1,18,83,202</u>	<u>2,40,54,885</u>
Net advance received from holding company Rs. 1,14,24,896 (P.Y. Rs. 2,34,35,433)		
<b>Note-18 : CURRENT PROVISIONS</b>		
Provision for employee benefits	<b>8,22,685</b>	3,77,969
Leave Encashment	<b>8,22,685</b>	3,77,969
	<u>8,22,685</u>	<u>3,77,969</u>



## MALTEX MALSTERS LIMITED

PARTICULARS	As at 31.03.2020		As at 31.03.2019	
	Rs.	Rs.	Rs.	Rs.
<b>Note-19 : REVENUE FROM OPERATIONS</b>				
Sale of Services				
Processing Charges*			11,31,61,115	
	<b>11,46,78,815</b>			
Sale of Products				
Sale of Thin Barley	<b>66,01,385</b>		25,41,801	
Sale of Malt Clums	<b>70,90,480</b>	<b>12,83,70,681</b>	82,98,231	12,40,01,147
Other Operating Revenues				
Sale of Old Gunny Bags	<b>50,14,063</b>		29,29,490	
Scrap Sale	-		1,07,679	
Waste Sale	<b>10,17,051</b>		9,32,560	
Other Operating Revenue	<b>5,53,518</b>	<b>65,84,632</b>	2,83,790	42,53,519
			<b>13,49,55,313</b>	<b>12,82,54,666</b>
Includes Rs. 8,80,94,056/- (previous year Rs. 9,82,64,961) from M/s United Breweries Ltd. The Holding Company				
<b>Note-20 : OTHER INCOME</b>				
Interest Income		<b>38,04,235</b>		44,59,952
Liabilities Written Back		-		7,77,942
Miscellaneous Income		<b>4,00,319</b>		60,000
		<b>42,04,554</b>		<b>52,97,894</b>
<b>Note-21 : PROCESSING EXPENSES</b>				
Purchase of Barley		<b>1,31,472</b>		2,67,690
Labour and Consumable Charges		<b>1,56,07,188</b>		1,31,93,291
Power, Fuel & Water Charges		<b>5,96,55,688</b>		6,19,52,811
Repair & Maintainance - Building		<b>16,24,136</b>		12,91,860
Repair & Maintainance - Plant & Machinery		<b>60,02,417</b>		79,86,447
		<b>8,30,20,901</b>		<b>8,46,92,099</b>
<b>Note-22 : CHANGES IN INVENTORIES</b>				
Opening Stock				
Work in Progress	<b>66,66,765</b>		72,16,296	
Closing Stock				
Work in Progress (Processing Charges)				
Work in Progress	<b>13,59,700</b>	(34,54,089)		5,49,531
	<b>87,61,154</b>		66,66,765	
<b>Note-23 : EMPLOYEES BENEFIT EXPENSES</b>				
Salaries, Wages & Bonus	<b>2,19,11,143</b>			2,43,20,693
Remuneration to Managing Director and KMP (including gratuity)	<b>35,23,200</b>			21,77,067
Leave Encashment	<b>4,78,681</b>			(63,918)
Employees Welfare Expenses	<b>4,66,009</b>			5,67,176
Contribution to PF, ESI & LWF	<b>13,45,135</b>			16,04,663
	<b>2,77,24,168</b>			<b>2,86,05,681</b>

**MALTEX MALSTERS LIMITED**

PARTICULARS	As at 31.03.2020		As at 31.03.2019	
	Rs.	Rs.	Rs.	Rs.
<b>Note-24 : OTHER EXPENSES</b>				
Change in Production Waste				
Opening Stock				
Production Waste	<b>50,11,755</b>	<b>27,77,668</b>	41,19,214	(8,92,541)
Closing Stock				
Production Waste	<b>22,34,087</b>		50,11,755	
Store & Spares Consumed		<b>56,86,293</b>		58,14,580
Travelling & Conveyance		<b>1,76,969</b>		4,43,098
Bank Charges		<b>24,645</b>		18,917
Printing & Stationery		<b>88,753</b>		85,063
Postage, Telegram & Telephone		<b>86,455</b>		66,744
Rent		<b>7,48,500</b>		6,89,160
Rate & Taxes		<b>3,17,812</b>		2,07,807
Electricity Expenses		<b>11,552</b>		10,631
Repair & Maintenance		-		10,938
Insurance Expenses		<b>1,73,357</b>		1,85,745
Vehicle Repair & Maintenance		<b>2,78,731</b>		4,38,995
Legal & Professional Charges		<b>2,01,000</b>		99,000
Auditors Remuneration				
As Auditor	<b>2,42,339</b>		1,67,339	
For Taxation Matters	<b>25,000</b>		25,000	
For Other Services	-		-	
For Reimbursement of Expenses	<b>50,731</b>	<b>3,18,070</b>	38,938	2,31,277
Directors' Meeting Fee		<b>60,000</b>		50,000
Business Promotion, Selling Expenses		<b>2,20,812</b>		2,49,916
Diwali Expenses		<b>2,75,509</b>		4,32,854
Interest on Income Tax and TDS		<b>1,856</b>		1,555
Asset Written Off		<b>2,15,813</b>		-
Bad Debts		<b>43,245</b>		
Donation & Charity		<b>24,982</b>		
Prior Period Expenses		<b>2,400</b>		
Miscellaneous Expenses		<b>7,80,715</b>		2,23,569
GST input credit Surrendered		<b>19,34,575</b>		-
Provision for Non moving/obselete items		<b>1,72,454</b>		
		<b>1,46,22,167</b>		83,67,308

For &amp; on behalf of the board of directors

**B.M. LABROO**  
Director  
DIN : 00040433

**R.K. JINDAL**  
Director  
DIN : 07571428

**AS PER OUR SEPARATE REPORT OF EVEN DATE ANNEXED**

For A SHARMA & Co.  
Chartered Accounting  
FRN 002642N

PLACE : NEW DELHI  
DATED : 19-06-2020

ANIL SHARMA  
PARTNER  
M. No. 081658