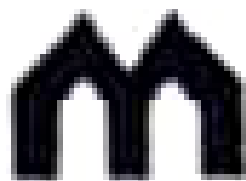


53rd Annual Report 2020 - 21



MALTEX MALSTERS LIMITED

MALTEX MALSTERS LIMITED

Regd. Office:
RAUNI, PATIALA

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given of the Fifty-third Annual General Meeting ("the AGM") of the Members of **MALTEX MALSTERS LIMITED** ("the Company") to be held on Wednesday, July 7, 2021 at 11.30 a.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 March 31, 2021, together with the Reports of the Auditors and Directors thereon.
2. To declare a Dividend
3. To appoint a Director in place of Mr. Govind Iyengar (DIN 07789589), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

RESOLVED that Mr. Berend Cornelis Roelof Odink (DIN 09138421), who was appointed by the Board of Directors as an Additional Director of the Company with effect from April 08, 2021 pursuant to Section 161 of the Companies Act, 2013 ("the Act") and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, and who is eligible for appointment, and in respect of whom, a notice in writing under Section 160 of the Act has been received by the Company from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.

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

RESOLVED that Mr. Shalabh Seth (DIN 07034749), who was appointed by the Board of Directors as an Additional Director of the Company with effect from April 08, 2021 pursuant to Section 161 of the Companies Act, 2013 ("the Act") and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, and who is eligible for appointment, and in respect of whom, a notice in writing under Section 160 of the Act has been received by the Company from a Member proposing his candidature for the office of Director, be and hereby appointed as a Director of the Company liable to retire by rotation.

By Order of the Board

Brij Mohan Labroo
Director/CEO
DIN: 00040433

New Delhi
April 23, 2021.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013**ITEM NO.4**

Mr. Berend Cornelis Roelof Odink (DIN 09138421), was appointed as an Additional Director of the Company effective April 08, 2021, pursuant to the provisions of Articles of Association of the Company and Section 161 of the Companies Act, 2013 ("the Act"). Mr. Berend Cornelis Roelof Odink hold office up to the date of this Annual General Meeting. A Notice in writing under Section 160 of the Act has been received by the Company from a Member signifying his intention to propose the appointment of Mr. Berend Cornelis Roelof Odink as a Director of the Company.

Mr. Berend Cornelis Roelof Odink shall be liable to retire by rotation.

Other than Mr. Berend Cornelis Roelof Odink, none of the Directors, Key Managerial Personnel of the Company and their relatives, are concerned or interested in the above Resolution.

Your Directors recommend the above Resolution set out in Item No. 4 as an Ordinary Resolution for your approval.

ITEM NO.5

Mr. Shalabh Seth (DIN 07034749), was appointed as an Additional Director of the Company effective April 08, 2021, pursuant to the provisions of Articles of Association of the Company and Section 161 of the Companies Act, 2013 ("the Act"). Mr. Shalabh Seth hold office up to the date of this Annual General Meeting. A Notice in writing under Section 160 of the Act has been received by the Company from a Member signifying his intention to propose the appointment of Mr. Shalabh Seth as a Director of the Company.

Mr. Shalabh Seth shall be liable to retire by rotation.

Other than Mr. Shalabh Seth, none of the Director, Key Managerial of the Company and their relatives, are concerned or interested in the above Resolutions.

Your Directors recommend the above Resolution set out in Item No. 5 as an Ordinary Resolution for your approval.

By Order of the Board

Brij Mohan Labroo
Director/CEO
DIN: 00040433

New Delhi
April 23, 2021.

NOTES:

1. Pursuant to the General Circular numbers 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020 and 02/2021 dated January 13, 2021, issued by the Ministry of Corporate Affairs (MCA) and Circular numbers SEBI/HO/CFD/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as “the Circulars”), companies are allowed to hold Annual General Meeting (AGM) through VC/OAVM, without the physical presence of Shareholders (or “Members”) at a common venue. In compliance with the Circulars, this AGM is being held through VC/OAVM and the Notice and the Annual Report 2020-2021 are being sent only by electronic mode to those Members whose Email addresses are registered with the Company/Depository Participant(s).
2. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”) relating to special business to be transacted at this AGM is annexed.
3. Participation of Members through VC/OAVM will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.
4. Register of Members and the Share Transfer Books of the Company will remain closed from **Friday, July 02, 2021 to Wednesday, July 07, 2021** (both days inclusive).
5. Dividend at the rate of Rs.100/- per Equity Share of Rs. 100/- each for the financial year ended March 31, 2021, after declaration at this AGM shall be paid to all the Members. Dividend once approved by the Members in the ensuing AGM will be paid electronically through online transfer to those Members who have provided their bank account details. For Members who have not provided their bank account details, demand drafts/cheques will be sent out to their registered addresses through postal facility.
6. 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 Company’s Email-ID: **maltexmalsters.info@gmail.com**.
7. Profile/Additional information relating to the particulars of Directors who are proposed to be appointed/re-appointed at this AGM is given below.
8. 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 steps to attend the AGM through Zoom App

Email link:

- (I) You will receive an email invitation from the meeting host.
- (II) Click on the link in the email.
- (III) You will be taken for joining the meeting.

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 11.15 AM on 7th July 2021.
- 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 Monday, 5th July 2021. 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 Monday, 5th July, 2021. 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:**
 - a. The members who have registered their email addresses with the Company / their depository can cast their vote electronically during the meeting.
 - b. 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.
 - c. The voting rights of shareholders shall be in proportion to their share of the paid-up equity share capital of the Company.
 - d. Members will be given time to cast their votes electronically.
 - e. Voting results will be declared immediately after all shareholders attending the AGM have cast their votes electronically.

By Order of the Board

Brij Mohan Labroo
Director/CEO
DIN: 00040433

New Delhi
April 23, 2021.

DETAILS OF NEW DIRECTORS

Name of the Director	BEREND CORNELIS ROELOF ODINK
Director Identification Number	09138421
Date of Birth/Age	08.07.1976
Date of Appointment	08.04.2021
Qualification	Master in Economics - Erasmus University, Rotterdam, Netherland
Expertise	17 Years
Directorship held in other Companies in India	NIL
Committee Membership of Company	NIL
Committee Membership of other Companies	NIL
Shareholding in the Company	NIL
Number of Board Meeting attended during the year	NIL

DETAILS OF NEW DIRECTORS

Name of the Director	SHALABH SETH
Director Identification Number	07034749
Date of Birth/Age	26.11.1971
Date of Appointment	08.04.2021
Qualification	B.E.(Hons) Mechanical, Birla Institute of Technology and Sciences (BITS) & MBA from INSEAD, Fontainebleau, France
Expertise	28 Years
Directorship held in other Companies in India	NIL
Committee Membership of Company	NIL
Committee Membership of other Companies	NIL
Shareholding in the Company	NIL
Number of Board Meeting attended during the year	NIL

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT

Name of the Director	Mr. Govind Iyengar
Director Identification Number	07789589
Date of Birth/Age	12.04.1967/51
Date of Appointment	27.03.2017
Qualification	B. Com. ,LLB and A.C.S
Expertise	Corporate Law, Company Secretarial matters, Taxation matters and general administration
Directorship held in other Companies in India	NIL
Committee Membership of Company	NIL
Committee Membership of other Companies	NIL
Shareholding in the Company	NIL
Number of Board Meeting attended during the year	4

The above Directors are not related to any of the Directors and Key managerial personnel of the Company

Directors' Report

Dear Members,

Your Directors have pleasure in presenting this 53rd 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, 2021.

1. HIGHLIGHTS OF PERFORMANCE

- Net revenue from operations for the current year is Rs.1090.12 Lacs against Rs.1349.55 Lacs previous year.
- The Net Profit (before tax) for the current year is Rs.176.99 Lacs as compared to Rs.159.14 lacs for the previous year.

2. FINANCIAL RESULTS

(Rs.in lacs)

Particulars	Year ended	
	31.03.2021	31.3.2020
Income from Business operations	1090.12	1349.55
Other Income	27.92	42.05
Total Income	1118.04	1391.60
Profit Before Depreciation & Interest	192.56	172.47
Depreciation & interest	15.57	13.33
Profit before tax	176.99	159.14
Less: Provision for tax (including current, deferred and other taxes)	47.45	44.60
Net profit after tax	129.54	114.54
surplus as per last P & L	47.59	27.30
Total	177.13	141.84
Less: Transfer to General Reserve	40.00	40.00
Balance available for appropriation	137.13	101.84
Less: Dividend	45.00	45.00
Less: Dividend Tax	-	9.25
Less: MAT adjustment	3.36	-
Balance carried Over as surplus to the P & L	88.77	47.59
Earnings per share	287.87	254.53

3. FINANCIAL /OPERATIONAL PERFORMANCE.

The Company is engaged in processing and conversion of barley into malt. The Company undertakes malting job on work/contract basis for its Holding Company Viz. United Breweries Limited (UBL). The basic raw material i.e. Barley is supplied to the Company by UBL and the Company procures barley malt to UBL after converting barley into malt. The Company receives Malt conversion charges from UBL as per agreement between the Company and UBL. During the year under review, the Company's income from its business operation during the financial year 2020-21 was RS 1090.12 lacs against income of Rs. 1349.55 lacs in the previous financial year 2019-20. The net profit (after tax) for the financial year 2020-21 is Rs.129.54 lacs as against net profit of Rs.114.54 in the previous financial year 2019-20.

During the period under review, COVID -19 has caused significant disruptions to the businesses across India which also effected the working of the Company. The management will continue to closely monitor the challenges that may occur, due to the second wave of COVID-19, on future economic conditions and assess its impact on the Company's operations.

4. TRANSFER TO GENERAL RESERVE

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

5. DIVIDEND

Your Directors are pleased to recommend a dividend of Rs. 100/- per equity share (i.e. 100%). The Dividend, if approved at the forthcoming Annual General Meeting would result a dividend outflow of Rs.45.00 Lacs.

6. 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, 2021 remains unchanged at Rs.45 lacs comprising 45,000 Equity Shares of Rs.100/- each.

7. HOLDING COMPANY

United Breweries Limited is the holding company which holds 51% of equity capital of the company.

8. CASH FLOW STATEMENT

A Cash Flow Statement for the year ended March 31, 2021 is appended.

9. PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS

The company has not made any investment, given guarantees and securities during the year under review. There for no need to comply provisions of Section 186 of the Companies Act, 2013

10. DEPOSITS

The Company has not invited / accepted any deposits during the financial year and further there were no outstanding deposits at the end of the previous financial year.

11. 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.

12. 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.

13. 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.

14. RELATED PARTY TRANSACTIONS:

All transactions entered by the Company during Financial Year 2020 – 2021 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. Details of transactions with related parties are reported in the Notes to financial statements.

The Company undertakes processing of Barley for conversion into 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 contract/transaction has been approved by the Board of Directors of the Company and the same is also approved by the Audit Committee and the Board of Directors of the holding company.

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 Act including certain arm's length transaction under third proviso thereto are disclosed in Form No.AOC-2 in **ANNEXURE- A** and form part of this Report.

15. CONSERVATION OF ENERGY

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

16. BOARD OF DIRECTORS

The Board of Directors of the MML Company comprises of five Directors.

Mr. Govind Iyengar, Director nominated by the holding Company retires by rotation at this AGM being eligible, offer himself for re-appointment.

Following Directors have also been appointed on the Board of Directors as nominees directors of holding company.

<u>Name of the Directors</u>	<u>Date of Appointment</u>
Mr. Berend Cornelis Roelof Odink	08.04.2021
Mr. Shalabh Seth	08.04.2021

During the year Mr. R K Jindal, Director of the Company resigned from the Board of the Company. Your Directors place on record their appreciation of the valuable contribution made in growth of the Company during his tenure in the Company

17. MEETINGS OF THE BOARD OF DIRECTORS

During the period under review, 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.

Name of Director	Number of Meetings attended
Sh. B M Labroo	5
Ms. Loveleena Labroo	1
Sh. Rohtash Kumar Jindal	4
Sh. Govind Iyengar	4

18. 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 52nd 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, notified on May 7, 2019, appointment of Auditors need not be ratified at every AGM. Accordingly, the Notice convening the ensuing AGM will carry Resolution for ratification of appointment of Statutory Auditors. The Auditors have confirmed that they continue to fulfil the criteria for appointment as Auditor of the Company as prescribed under the Act and the Rules framed thereunder.

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

19. 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.

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

No order has 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.

21. 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.

22. 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.

23. 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.

24. 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.

25. DIRECTORS RESPONSIBILITY STATEMENT.

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

- a) in the preparation of the Annual Accounts, 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.

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. 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 their sincere appreciation to all the employees of the Company for their hard work and commitment.

By Authority of the Board

Berend Odink
Director
DIN:09138421

Brij Mohan Labroo
Director
DIN:0004033

New Delhi
April 23, 2021.

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

Sr. No.	Particulars	
(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 31.03.2022
(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 have 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.

(c) Foreign exchange earnings and Outgo:

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

{Section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of the companies (Accounts) Rules, 2014}

1. CONSERVATION OF ENERGY:

With continuous efforts, company keeps on trying to reduce and control the consumption of fuel & electricity.

Energy conservation measures:

- i) Improvisation and continuous monitoring of power factor and replacement of weak capacitors by conducting periodical checking of capacitors.
- ii) The company has endeavored to optimize the use of energy resources and taken the adequate steps to avoid the wastage and use the latest production technologies and equipment's.

2. TECHNOLOGY ABSORPTION:

Technology absorption, innovation and research & development R & D is a continuing process and a continued emphasis is given on quality improvement and product up gradation.

RESEARCH & DEVELOPMENT (R & D)**a) Specific areas in which R&D carried by the company:**

The company has been operating with latest new technology in Malting. R&D has been carried out in the area of new product development, improvement in the production process and quality of products.

b) Benefit desired as a result of above R&D:

The efforts have resulted in cost competitiveness.

c) Future course of action:

The management is committed to continue R&D to increase market competitiveness.

d) Expenditure on R & D: NIL**3. FOREIGN EXCHANGE EARNING AND OUTGO:**

(Rs. In Lacs)

Foreign exchange earned (FOB value of export)

NIL

Foreign exchange used (CIF value of imports)

NIL

By Authority of the Board

Berend Odink

Director

DIN:09138421

Brij Mohan Labroo

Director

DIN:0004033

New Delhi
April 23, 2021.

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 2021, 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, 2021, 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 2021, revenue amounting to ₹6.25 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 80% of total sale of services.</p>	<p>We have performed the following procedures in relation to the accuracy of revenue recognised:</p> <ul style="list-style-type: none"> • We have evaluated and tested the company's process for recognising contract revenues. • 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. • 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. • 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. • 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

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 judgment 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 identified misstatements in the financial statements.

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

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

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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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 given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (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 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



Signature
(CA Anju Shukla)
Partner
M.No. 511590

Place: New Delhi
Date: 23.04.2021

UDIN: 21511590AAAABS9287

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 2021 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 has 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. However, the hearing for the case has been taken place through Video Conferencing by The Commissioner, CGST, Ludhiana and the order has been reserved and same is awaited.
Chapter V of the Fin. Act, 1994	Service Tax	7,36,116 + Penalty U/s 75, 76 & 77	1.7.2009 to 31.3.2010	Case has been remanded back by CESTAT, New Delhi to Commissioner Central Excise, Chandigarh
Chapter V of the Fin. Act, 1994	Service Tax	10,03,805+ Penalty U/s 75, 76 & 77	1.4.2010 to 31.3.2011	

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 and 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.
- 17.

For A. SHARMA & CO.
Chartered Accountants
FRN: 002642N



Signature
(CA Anju Shukla)
Partner
M.No. 511590

Place: New Delhi
Date: 23.04.2021

UDIN: 21511590AAAABS9287

MALTEX MALSTERS LIMITED
Balance Sheet as at 31st March-2021

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

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	2	9,777,490	11,147,957
(b) Capital work-in-progress		8,002,000	-
(c) Financial Assets			
(i) Loans & Advances	3	3,162,888	3,162,888
(ii) Other financial Assets	4	41,928,056	-
(d) Deferred tax assets (Net)	5	448,829	561,348
(e) Non-current assets	6	3,449,307	3,264,553
(f) Non Current Tax Assets (Net)	7	-	68,222
Current assets			
(a) Inventories	8	13,901,258	16,329,792
(b) Financial Assets			
(i) Trade receivables	9	1,666,719	6,137,064
(ii) Cash and cash equivalents	10	3,052,908	3,747,443
(iii) Other Bank balances	11	9,257,498	49,090,564
(c) Other Current Assets	12	1,019,199	414,855
Total Assets		95,666,153	93,924,686
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	13	4,500,000	4,500,000
(b) Other Equity	14	71,746,309	63,627,962
LIABILITIES			
Current liabilities			
(a) Current Tax Liability (Net)	15	66,595	-
(b) Financial Liabilities			
(i) Other Trade payables		3,137,450	4,095,584
(ii) MSME Trade payables	16	1,189,521	-
(iii) Other financial liabilities	17	6,636,891	8,995,253
(c) Other current liabilities	18	7,548,665	11,883,202
(d) Provisions	19	840,724	822,685
Total Equity and Liabilities		95,666,153	93,924,686

For & on behalf of the board of directors

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

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Govind

B. Odink
Berend Cornelis (Apr 24, 2021 16:29 GMT+5.5)

Anju Shukla
ANJU SHUKLA (Apr 25, 2021 13:33 GMT+5.5)

B M LABROO
Director
DIN:00040433

GOVIND LYENDER
Director
DIN:07789589

BEREND CORNELIS ROELOF ODINK
Director
DIN:09138421

ANJU SHUKLA
Partner
M.No. 511590

PLACE : NEW DELHI
DATED : 23-04-2021

MALTEX MALSTERS LIMITED

Statement of changes in equity for the year ended Mar, 31st 2021

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

a) Equity share capital (Note 13)

Equity shares of Rs.100 each issued, subscribed and fully paid

Particulars	As at Mar 31st, 2021		As at Mar 31, 2020	
	Numbers	Amount	Numbers	Amount
Balance at the beginning of the year	45,000	4,500,000	45,000	4,500,000
Changes during the year	-	-	-	-
Balance at the end of the year	45,000	4,500,000	45,000	4,500,000

b) Other equity (Note 14)

Particulars	Reserves and Surplus			Total
	Capital Reserve	General reserve	Retained earnings	
Balance as at April 1, 2019	131,776	54,737,296	2,730,436	57,599,508
Profit for the year	-	-	11,453,654	11,453,654
Other comprehensive income	-	-	-	-
Transfer from retained earnings	-	4,000,000	(4,000,000)	-
Dividends	-	-	(4,500,000)	(4,500,000)
Dividend distribution tax	-	-	(925,200)	(925,200)
Balance as at Mar 31st, 2020	131,776	58,737,296	4,758,890	63,627,962
Balance as at April 1, 2020	131,776	58,737,296	4,758,890	63,627,962
Profit for the year	-	-	12,953,992	12,953,992
Other comprehensive income	-	-	-	-
Transfer from retained earnings	-	4,000,000	(4,000,000)	-
MAT adjustable no longer available	-	-	(335,645)	(335,645)
Total Dividends	-	-	(4,500,000)	(4,500,000)
Dividend distribution tax	-	-	-	-
Balance as at Mar 31st, 2021	131,776	62,737,296	8,877,237	71,746,309


For & on behalf of the board of directors

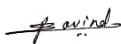
AS PER OUR SEPARATE REPORT OF EVEN DATE ANNEXED

For A Sharma & Co.


Chartered Accountants

FRN: 002642N


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 Berend Odink (Apr 24, 2021 16:25 GMT+5.5)


 ANJU SHUKLA (Apr 25, 2021 13:33 GMT+5.5)
B.M LABROO

DIRECTOR

DIN:00040433

GOVIND LYENGER

DIRECTOR

DIN:07789589

BEREND CORNELIS ROELOF ODINK

DIRECTOR

DIN:09138421

ANJU SHUKLA

Partner

M.No. 511590

PLACE : NEW DELHI

DATED : 23-04-2021

MALTEX MALSTERS LIMITED
Statement of Profit and Loss for the year ended 31st March, 2021

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

	Particulars	Notes	Year ended 31.03.2021		Year ended 31.03.2020
I	Revenue from Operations (net of GST)	20		109,012,188	134,955,313
II	Other Income	21		2,791,952	4,204,554
III	Total Income (I+II)			111,804,140	139,159,867
IV	EXPENSES				
	Processing Expenses	22		58,833,320	83,020,901
	Changes in inventories	23		4,495,412	(3,454,089)
	Employee benefits expense	24		21,279,011	27,724,168
	Depreciation and amortization expense	2		1,556,979	1,332,960
	Other expenses	25		7,940,472	14,622,167
	Total expenses (IV)			94,105,194	123,246,107
V	Profit/(loss) before exceptional items and tax (III- IV)			17,698,946	15,913,761
VI	Exceptional Items			-	-
VII	Profit/(loss) before tax (V-VI)			17,698,946	15,913,761
VIII	Tax expense:				
	(1) Current tax		4,632,435	4,512,133	
	(2) Tax for earlier year		-	225,555	
	(3) Deferred tax		112,519	(277,581)	
IX	Profit (Loss) for the period from continuing operations (VII-VIII)			12,953,992	11,453,654
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)			12,953,992	11,453,654
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	Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)			12,953,992	11,453,654
XVI	Earnings per equity share (for continuing operation):				
	(1) Basic			287.87	254.53
	(2) Diluted			287.87	254.53
XVII	Earnings per equity share (for discontinued operation):				
	(1) Basic			-	-
	(2) Diluted			-	-
XVIII	Earnings per equity share (for discontinued & continuing operations)				
	(1) Basic			287.87	254.53
	(2) Diluted			287.87	254.53

For & on behalf of the board of directors

AS PER OUR SEPARATE REPORT OF EVEN DATE ANNEXED

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Berend Cornelis Roelof Odink (Apr 24, 2021 16:25 GMT+5.5)

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

ANJU SHUKLA
ANJU SHUKLA (Apr 25, 2021 13:33 GMT+5.5)
ANJU SHUKLA
Partner
M.No. 511590

B M Labroo
Director
DIN:00040433

GOVIND LYENGER
Director
DIN:07789589

BEREND CORNELIS ROELOF ODINK
Director
DIN:09138421

PLACE : NEW DELHI
DATED : 23-04-2021

MALTEX MALSTERS LIMITED

NOTE - 2 PROPERTY, PLANT AND EQUIPMENT

(Amount in Rs.)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 4/1/2020	Additions during the year	Sale/ Discarded during the year	As at 31.03.2021	For the Year 1.4.2020 to 31.03.2021	Sale/ Discarded during the year	As at 31.03.2021	As at 31.03.2020
Land (Free Hold)	108,854	-	-	108,854	-	-	108,854	108,854
Buildings	15,331,441	186,512		15,517,953	290,200	-	3,006,581	3,110,270
Plant & Equipments	56,022,635			56,022,635	875,416		5,739,148	6,614,563
Motor Vehicles	3,383,681			3,383,681	350,002		847,462	1,197,464
Furniture & Fittings	471,054			471,054	4,492		24,096	28,588
Office Equipments	362,745			362,745	36,869		51,349	88,218
Total (Rs.)	75,680,410	186,512	-	75,866,922	1,556,979	-	9,777,490	11,147,957
Previous Year	80,484,952	5,416,435	10,220,977	75,680,410	1,332,960	9,896,684	11,147,957	-

MALTEX MALSTERS LIMITED
Cash Flow Statement for the year ended 31st March 2021

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

	Particulars	As at 31 March 2021	As at 31.03.2020
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit / (Loss) after Extra Ordinary Items before Tax per Statement of Profit And Loss:	17,698,946	15,913,761
	Adjustments for:		
	Depreciation	1,556,979	1,332,960
	Interest accrued on receivable	(2,752,286)	(3,804,235)
	Income Tax for earlier year	(335,645)	(225,555)
	Income Tax paid	(4,632,435)	(4,512,133)
		(6,163,387)	(7,208,963)
	Operating Profit before Working Capital Changes	11,535,559	8,704,798
	Adjustments for changes in working capital:		
	Increase / (Decrease) in liabilities	(6,376,879)	(6,829,836)
	(Increase) / Decrease in Inventories	(5,573,465)	1,199,932
	(Increase) / Decrease in trade receivables	4,470,344	3,575,377
	(Increase) / Decrease in Loans & Advances	(2,815,866)	1,568,671
		(10,295,867)	(485,856)
	Net Cash from Operating Activities (A)	1,239,692	8,218,942
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of fixed assets	(186,512)	(5,416,435)
	Sale of fixed assets	-	94,225
	Capital WIP	-	-
	Asset written off	-	230,069
	Interest income from receivable	2,752,286	3,804,235
	Net Cash from Investing Activities (B)	2,565,774	(1,287,906)
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Dividend and Dividend distribution tax paid	(4,500,000)	(5,425,200)
	Provision for Income tax/Adjusted	-	-
	(Decrease) / Increase in Loan amount	-	-
	Net Cash used in Financing Activities (C)	(4,500,000)	(5,425,200)
	Net Increase (+) / Decrease (-) in Cash & Cash Equivalents (A+B+C)	(694,534)	1,505,836
	Cash & Cash Equivalents as at beginning (Opening Balance)	3,747,443	2,241,607
	Cash & Cash Equivalents as at end (Closing Balance)	3,052,908	3,747,443

For & on behalf of the board of directors

AS PER OUR SEPARATE REPORT OF EVEN DATE ANNEXED

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bmlabroo (Apr 24, 2021 14:22 GMT+5.5)

B M Labroo **GOVIND LYENGER**
Director Director
DIN:00040433 DIN:07789589

Berend
Berend Cornelis (Apr 24, 2021 16:25 GMT+5.5)
BEREND CORNELIS ROELOF ODINK
Director
DIN:09138421

For A SHARMA & CO.
Chartered Accountants
FRN 002642N

Anju
ANJU SHUKLA (AP) 25, 2021 13:33 GMT+5.5)

ANJU SHUKLA
PARTNER
M.NO. 511590

PLACE : NEW DELHI
DATED : 4/23/2021

MALTEX MALSTERS LIMITED

PARTICULARS	As at 31.03.2021		As at 31.03.2020	
	Rs.	Rs.	Rs.	Rs.

**NOTE -3 : NON CURRENT LOANS & ADVANCED
(Unsecured, considered good)**

Security Deposits	2,977,308	2,977,308
Add - Interest receivable on PSEB security	185,580	185,580
	<u>3,162,888</u>	<u>3,162,888</u>

NOTE -4 : OTHER FINANCIAL ASSTES

FDRs having maturity more than 12 months (including interest amount)	41,928,056	-
	<u>41,928,056</u>	

NOTE -5 : DEFERRED TAX ASSETS

Opening Balance	561,348	283,767
Add/(Less): Provision for Deferred Tax Assets/ (Liability) during the year	(112,519)	277,581
	<u>448,829</u>	<u>561,348</u>

The components of deferred tax (liability)/ assets (net):

Particulars	Opening as at 01.04.2020	Relating to current year	Deferred tax (Liabilities)/asset As at 31.03.2021
	Rs.	Rs.	Rs.
Timing differences on account of:			
Difference between value of Fixed Assets as per books and as per Income Tax Rules	57,948	20,349	78,297
On account of disallowance under section 43B of the Income Tax Act	503,400	(132,868)	370,532
Net Deferred Tax Asset	<u>561,348</u>	<u>(112,519)</u>	<u>448,828</u>

NOTE -6 : NON-CURRENT ASSETS

(Unsecured, considered good)		
Balance with govt. authorities	3,449,307	3,264,553
	<u>3,449,307</u>	<u>3,264,553</u>

NOTE -7: NON CURRENT TAX ASSETS (NET)

Advance Tax and Tax deducted at source	4,580,355	
Less: Provision for Income Tax	(4,512,133)	68,222
	<u>-</u>	

NOTE -8 : INVENTORIES

Stores & Spares	5,647,898	3,974,852
Production waste	2,627,918	2,234,087
Work-in-Progress	5,625,442	8,761,154
Work in progress (processing charges)	-	1,359,700
	<u>13,901,258</u>	<u>16,329,792</u>

NOTE -9 : TRADE RECEIVABLES

(Unsecured, considered good)

Outstanding for a period exceeding six months

Others

-	150,772
<u>1,666,719</u>	<u>5,986,292</u>
<u>1,666,719</u>	<u>6,137,064</u>

NOTE -10 CASH & CASH EQUIVALENTS

Balances With Banks

- In Current Accounts

Cash in Hand (as certified)

3,042,101	3,741,449
<u>10,807</u>	<u>5,994</u>
<u>3,052,908</u>	<u>3,747,443</u>

NOTE -11 OTHER BANK BALANCES

Balances with banks (FDR)

9,257,498	49,090,564
<u>9,257,498</u>	<u>49,090,564</u>

NOTE -12 OTHER CURRENT ASSETS

Advances recoverable in cash or in kind or

value to be received and or adjusted

Advance to supplier

Prepaid Expenses

83,303	117,669
591,221	64,968
<u>344,675</u>	<u>232,218</u>
<u>1,019,199</u>	<u>414,855</u>

MALTEX MALSTERS LIMITED

PARTICULARS	As at 31.03.2021		As at 31.03.2020	
	Rs.	Rs.	Rs.	Rs.

NOTE -13 SHARE CAPITAL

Authorised

1,00,000 (1,00,000) Equity Shares
of Rs. 100/- each

10,000,000

10,000,000

Issued, Subscribed and Paid up

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/-)

4,500,000

4,500,000

Reconciliation of shares outstanding (Equity shares of Rs. 100/- each)

Opening Balance

45,000

45,000

Add: Issued during the year

-

-

Less: Buy back during the year

-

-

Closing Balance

45,000

45,000

Detail of shareholders holding more than 5% shares

Name	As at 31.03.2021		As at 31.03.2020	
	No. of shares held	% of shareholding	No. of shares held	% of shareholding
1. United Breweries Ltd. holding company	22,950	51.00%	22,950	51.00%
2. Mr. B.M. Labroo (individual) & B M Labroo & Sons (HUF) in the capacity of Karta	4,406	9.79%	4,406	9.79%
3. Mrs. Kanta Labroo*	3,370	7.50%	3,370	7.50%

*Note- Transfer of share is under process held by Mrs Kanta Labroo

NOTE -14 RESERVES & SURPLUS

a) Capital Reserve

As per last Balance Sheet

131,776

131,776

b) General Reserve

As per last Balance Sheet

58,737,296

54,737,296

Add : Transferred from Surplus

4,000,000

4,000,000

58,737,296

c) Surplus

As per last Balance Sheet

4,758,890

-

2,730,436

Add: Profit during the year

12,953,992

11,453,654

Less: Transfer to General Reserve

4,000,000

4,000,000

Less: MAT adjustable no longer available written off

335,645

*Net Dividend paid

4,500,000

4,500,000

**Tax on Dividend

-

925,260

4,758,890

8,877,237

71,746,309

63,627,962

* Dividend has been paid @100 per share (P.Y. Rs 100 per share)

** Dividend distribution Tax not applicable in this year (P.Y paid @20.56% of dividend amount)

MALTEX MALSTERS LIMITED

PARTICULARS	As at 31.03.2021		As at 31.03.2020	
	Rs.	Rs.	Rs.	Rs.
NOTE -15 CURRENT TAX LIABILITIES (NET)				
Provision for Income Tax	9,144,568.00			-
Less: Advance Tax and Tax deducted at source	(9,077,972.90)	<u>66,595</u>		<u>-</u>
NOTE -16 TRADE PAYABLES				
Payables to MSME		1,189,521		-
Other Trade Payables		<u>3,137,450</u>		<u>4,095,584</u>
		<u>4,326,971</u>		<u>4,095,584</u>
NOTE -17: OTHER FINANCIAL LIABILITIES				
Security deposit		50,000		600,000
Payable to Directors		52,000		51,092
Expenses payable				
For employee benefits		2,899,515		2,218,396
For others		3,384,276		6,125,765
Unpaid Dividend		<u>251,100</u>		<u>-</u>
		<u>6,636,891</u>		<u>8,995,253</u>
NOTE -18 OTHER CURRENT LIABILITIES				
Statutory dues payable		377,368		412,170
Advance Received from Customers *		<u>7,171,297</u>		<u>11,471,032</u>
		<u>7,548,665</u>		<u>11,883,202</u>
Net advance inculde from holding company Rs 71,64,792 (P.Y. Rs. 1,14,24,896)				
NOTE -19 CURRENT PROVISIONS				
Provision for employee benefits				
Leave Encashment		840,724		822,685
		<u>840,724</u>		<u>822,685</u>

MALTEX MALSTERS LIMITED

PARTICULARS	Year ended 31.03.2021		Year ended 31.03.2020	
	Rs.	Rs.	Rs.	Rs.
NOTE -20 REVENUE FROM OPERATIONS				
<i>Sale of Services</i>				
Processing Charges *	78,340,507		114,678,816	
<i>Sale of Products</i>				
Sale of Thin Barley	9,875,722		6,601,386	
Sale of Malt Clums	4,749,530	92,965,759	7,090,480	128,370,682
<i>Other operating revenues</i>				
Sale of Old Gunny Bags	3,908,710		5,014,063	
Scrap Sale	39,030		-	
Waste sale	615,521		1,017,051	
**Other operating revenue	11,483,168	16,046,429	553,518	6,584,632
		109,012,188		134,955,314
* includes Rs.6,25,30,407/- (Previous Year Rs. 8,80,94,056/-) from M/s United Breweries Ltd, the holding company				
**Refer other explanatory Note no 1.6				
NOTE -21 OTHER INCOME				
Interest Income		2,752,286		3,804,235
Miscellaneous Income		39,666		400,319
		2,791,952		4,204,554
NOTE -22 PROCESSING EXPENSES				
*Purchase of Barley		11,351,696		131,472
Labour charges		10,720,265		15,607,188
Power, Fuel & Water Charges		32,258,068		59,655,688
Repair & Maintanance - Building		1,194,391		1,624,136
Repair & Maintanance - Plant & Machinery		3,308,900		6,002,417
		58,833,320		83,020,901
*Refer other explanatory Note no 1.6				
NOTE -23 CHANGES IN INVENTORIES				
<u>Opening stock</u>				
Work in progress (processing charges)	1,359,700		-	
Work in progress	8,761,154		6,666,765	
<u>Closing stock</u>				
Work in progress (processing charges)	-		1,359,700	
Work in progress	5,625,442	4,495,412	8,761,154	(3,454,089)
NOTE -24 EMPLOYEES BENEFIT EXPENSES				
Salaries, Wages & Bonus		18,376,570		21,911,143
Remuneration to Managing Director and KMP		1,664,000		3,523,200
Leave Encasement		97,834		478,681
Employees Welfare Expenses		98,397		466,009
Contribution to PF, ESI & LWF		1,042,210		1,345,135
		21,279,011		27,724,168

MALTEX MALSTERS LIMITED

PARTICULARS	Year ended 31.03.2021		Year ended 31.03.2020	
	Rs.	Rs.	Rs.	Rs.
NOTE -25 OTHER EXPENSES				
Change in Production waste				
<u>Opening stock</u>				
Production waste		2,234,087		5,011,755
<u>Closing stock</u>				
Production waste		2,627,918	(393,831)	2,234,087
Store & Spares consumed		3,782,497		5,686,293
Travelling & Conveyance		51,950		176,969
Bank charges		23,100		24,645
Printing & Stationery		41,927		88,753
Postage, Telegram & Telephone		58,664		86,455
Rent		795,720		748,500
Rate & Taxes		379,151		317,812
Electricity Expenses		6,182		11,552
Insurance Expenses		358,840		173,357
Vehicle Repair & Maintenance		197,103		278,731
Legal & Professional Charges		186,000		201,000
Auditors Remuneration				
As Auditor	242,339		242,339	
For Taxation matters	25,000		25,000	
For Other services	-		-	
For Reimbursement of Expenses	45,024	312,363	50,731	318,070
Directors' Meeting Fee		40,000		60,000
Business promotion, Selling Expenses		195,194		220,812
Diwali Expenses		173,998		275,509
Interest on Income Tax and TDS		2,450		1,856
Asset written off		-		215,813
Store items written off		82,722		
Bad debts		26,810		43,245
Donation & charity		-		24,982
Prior period expenses		-		2,400
Miscellaneous Expenses		735,618		780,715
GST input credit surrendered		884,015		1,934,575
Provision for Non moving /obselete items		-		172,454
		<u>7,940,472</u>		<u>14,622,167</u>

For & on behalf of the board of directors

AS PER OUR SEPARATE REPORT OF EVEN DATE ANNEXED

bmlabroo

bmlabroo (Apr 24, 2021 14:22 GMT+5.5)

for avind

B.ODINK

Berend Cornelis (Apr 24, 2021 16:25 GMT+5.5)

B M Labroo
Director
DIN:00040433

GOVIND LYENGER
Director
DIN:07789389

BEREND CORNELIS ROELOF ODINK
Director
DIN:09138421

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

Anju Shukla
ANJU SHUKLA (Apr 25, 2021 13:33 GMT+5.5)

PLACE NEW DELHI
DATED : 23-04-2021

ANJU SHUKLA
Partner
M.No. 511590

MALTEX MALSTERS LIMITED

Note No. 1: Significant accounting policies and other explanatory notes to financial statements for the year ended 31st March, 2021

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

MALTEX MALSTERS LIMITED

Note No. 1: Significant accounting policies and other explanatory notes to financial statements for the year ended 31st March, 2021

presumption that the transaction to sell the asset or transfer the liability takes place either in the 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, 2021

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 transfer of control 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

MALTEX MALSTERS LIMITED

Note No. 1: Significant accounting policies and other explanatory notes to financial statements for the year ended 31st March, 2021

- 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 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

MALTEX MALSTERS LIMITED

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

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

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets for all long term leases.

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

MALTEX MALSTERS LIMITED

Note No. 1: Significant accounting policies and other explanatory notes to financial statements for the year ended 31st March, 2021

(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.

(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.

MALTEX MALSTERS LIMITED

Note No. 1: Significant accounting policies and other explanatory notes to financial statements for the year ended 31st March, 2021

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 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.

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Note No. 1: Significant accounting policies and other explanatory notes to financial statements for the year ended 31st March, 2021

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.

(I) 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.

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

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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.

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

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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.

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.

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(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 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.

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Note No. 1: Significant accounting policies and other explanatory notes to financial statements for the year ended 31st March, 2021

- 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.

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.

1.5 Other Explanatory Notes

i) Revenue from Operations:

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

	Particulars	2020-21	2019-20
-	Revenue from Contracts with customers	9,29,65,759	12,83,70,681
-	Other Revenues	<u>1,60,46,429</u>	<u>65,84,632</u>
		<u>10,90,12,188</u>	<u>13,49,55,313</u>

The Company has also recognized following contract balances:

MALTEX MALSTERS LIMITED

Note No. 1: Significant accounting policies and other explanatory notes to financial statements for the year ended 31st March, 2021

Particulars	2020-21	2019-20
- Contract liabilities		
Advance received from customers	71,64,792	1,14,24,896
- Contract Assets		
Trade Receivables	16,14,709	44,54,164
work in progress	56,19,313	1,01,20,854

The present production capacity of the company is 21700 metric Ton. The actual production during the year was 13795.94 metric tons. The production capacity has been utilized as given below:

Holding Company (United Breweries Limited)	79.28%
Other Companies	20.72%

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 contractor 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 1067.424 metric ton was lying in the godowns of the company and the 473.095 MT was in "Work in progress".

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

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:

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Note No. 1: Significant accounting policies and other explanatory notes to financial statements for the year ended 31st March, 2021

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:

Mr. B.M. Labroo, CEO Director
Ms. Loveleena Labroo, Director
Mr. Rohtash Kumar Jindal, Director
(Resignation as on 19.03.2021)
Mr. Govind Iyengar, Director

Holding company: United Breweries Limited

Enterprise in which Key
Management personnel is
Interested: North West Distilleries Private Limited

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Note No. 1: Significant accounting policies and other explanatory notes to financial statements for the year ended 31st March, 2021

b) Details of transactions with Related Parties:

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S.No	Particulars	With Holding Co.		With company in which KMPs are interested		With Managing & other directors		With other KMP	
		Y.E. 31.03.2021	Y.E. 31.03.2020	Y.E. 31.03.2021	Y.E. 31.03.2020	Y.E. 31.03.2021	Y.E. 31.03.2020	Y.E. 31.03.2021	Y.E. 31.03.2020
1	Processing Charges Received	6,25,30,407	8,80,94,056	-	-	-	-	-	-
2	GST/Excise Duty Recovered	30,71,035	43,86,764	-	-	-	-	-	-
3	Managing Director Remuneration	-	-	-	-	16,64,000	35,23,200	-	-
4	Contribution for Provident Fund for Managing Directors	-	-	-	-	-	1,14,240	-	-
5	Meeting Fee to Directors 1. Mr.BM Labroo 2. Mr. R K Jindal 3. Mrs.Loveleena Labroo	-	-	-	-	15,000 20,000 5,000	25,000 25,000 10,000	-	-
6	Rent paid	-	-	36,000	36,000	-	-	-	-
7	Expenses incurred on their behalf during the year and further recovered	49,244	5,80,193	-	-	-	-	-	-
8	Barley purchase	1,13,51,696	-	-	-	-	-	-	-
9	Sale of barley	1,14,83,168	-	-	-	-	-	-	-
10	Dividend paid	22,95,000	22,95,000	-	-	4,40,600	4,40,600	3,37,000	3,37,000
11	Advance received	71,07,412	1,14,24,896	-	-	-	-	-	-

MALTEX MALSTERS LIMITED

Note No. 1: Significant accounting policies and other explanatory notes to financial statements for the year ended 31st March, 2021

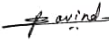
1.6

Due to GST Compliance purchase of barley amounting Rs 1,13,51,696 and sale of barley of amounting Rs 1,14,83,168 transaction occurred during the year due to COVID 19.


1.7 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.


bmlabroo (Apr 24, 2021 14:24 GMT+5.5)




Berend Gaur (Apr 24, 2021 16:25 GMT+5.5)


ANJU SHUKLA (Apr 25, 2021 13:33 GMT+5.5)