



**Date: 31.08.2020**

To  
The Manager  
Listing Department  
BSE Limited  
P J Towers, Dalal Street  
Mumbai – 400001

**Scrip Code - 539400**

Dear Sir/Madam,

**Sub: Submission of 36th Annual Report for FY 2019-2020**

In compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the 36<sup>th</sup> Annual Report of Mallcom (India) Limited for the Financial Year 2019-2020.

The same is available on the Company's website at [www.mallcom.in](http://www.mallcom.in).

This is for your information and record.

Thanking you,

Yours sincerely,

**For Mallcom (India) Ltd.**

A handwritten signature in blue ink, reading "Shuvanki Purakayastha".

**Shuvanki Purakayastha**  
**Company Secretary**

Encl.: Annual Report for FY 2019-2020





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## CORPORATE INFORMATION

### **Board of Directors**

Ajay Kumar Mall	- Chairman and Managing Director
Giriraj Mall	- Non-Executive Non Independent Director
R. P. Singh	- Non- Executive Independent Director
Barsha Khattry	- Non- Executive Independent Director
Arindam Bose	- Additional Director (Non-Executive Non-Independent)
Gaurav Kumar Choudhary	- Additional Director (Non-Executive Independent)

### **Chief Financial Officer**

Shyam Sundar Agrawal

### **Company Secretary**

Shuvanki Purakayastha

### **Auditors**

S. K. Singhanian & Co.  
19A, Jawaharlal Nehru Road, Kolkata -700 087

### **Registrar & Share Transfer Agent**

Niche Technologies Pvt. Ltd.  
3A Auckland Place, 7th Floor  
Room No. 7A & 7B, Kolkata - 700017  
Ph-(033) 2280 6616 / 17 / 18; Fax-(033) 2280 6619  
Email-nichetechpl@nichetechpl.com  
Website: www.nichetechpl.com

### **Registered Office**

Mallcom Tower, EN-12, Sector-V, Salt Lake City, Kolkata -700091

### **Corporate Identity Number**

L51109WB1983PLC037008



**Works**

- 1) Plot No.1665 & 1666, Zone-9  
Kolkata Leather Complex,  
Bantala, 24 Parganas (South)
- 2) 34B & C, C. N. Roy Road,  
Kolkata - 700039
- 3) Plot No. 35 & 36, Sector-1,  
FSEZ, Falta, 24 Parganas (South)
- 4) Plot No.32, Sector-3A,  
Integrated Industrial Estate,  
Haridwar, Uttrakhand

**Bankers**

Citibank N.A.  
Standard Chartered Bank  
State Bank of India  
United Bank of India  
ICICI Bank

# DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Thirty-Sixth (36th) Annual Report on the business and operation of the Company together with Audited Statement of Accounts for the year ending March 31st, 2020.



## FINANCIAL HIGHLIGHTS

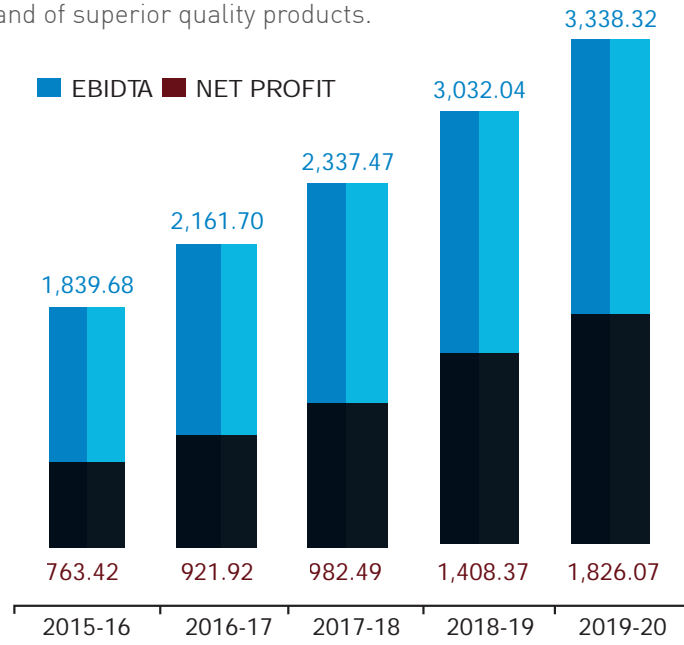
₹ in Lakhs

Particulars	Consolidated		Standalone	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Total Revenue	28,814.95	30,097.49	28,814.95	30,094.05
Profit Before Tax (PBT)	2,377.24	2,269.00	2,307.33	2,174.43
Exceptional Items	152.99	-	152.99	-
Provision for Tax	641.80	769.89	634.25	766.06
Profit After Tax (PAT)	1,888.43	1,499.11	1,826.07	1,408.37
Other Comprehensive Income (Net of Tax)	3.51	75.84	3.51	75.84
Total Comprehensive Income for the period	1,891.94	1,574.95	1,829.58	1,484.21
<b>Appropriations</b>				
Transfer to General Reserve	1,600.00	1,400.00	1,600.00	1,400.00
Surplus carried to the next year's account	(205.77)	(347.26)	181.54	102.41

**OVERVIEW OF COMPANY PERFORMANCE**

2019-2020 has been a challenging year with unfavorable macros, slowdown in industrial activities and the COVID-19 Pandemic. Your company has however managed to remain stable in face of all adversaries by shifting its focus to introducing newer and better products in the market, diversify its product portfolio to make it more in line with Global PPE needs, improve profitability and build a universal brand of superior quality products.

During the year under consideration your company's continuing focus on strengthening its front end operations, has achieved a Standalone Income of Rs. 28,814.95 Lakhs and profit after tax of Rs. 1,826.07 Lakhs as against Rs. 30,094.05 Lakhs and Rs. 1,408.38 Lakhs respectively for the previous year. The Consolidated Income and Profit after tax of the company for the year was Rs. 28,814.95 Lakhs and Rs. 1,888.43 Lakhs as against Rs. 30,097.49 Lakhs and Rs. 1,499.27 Lakhs respectively for the previous year.





### SHARE CAPITAL

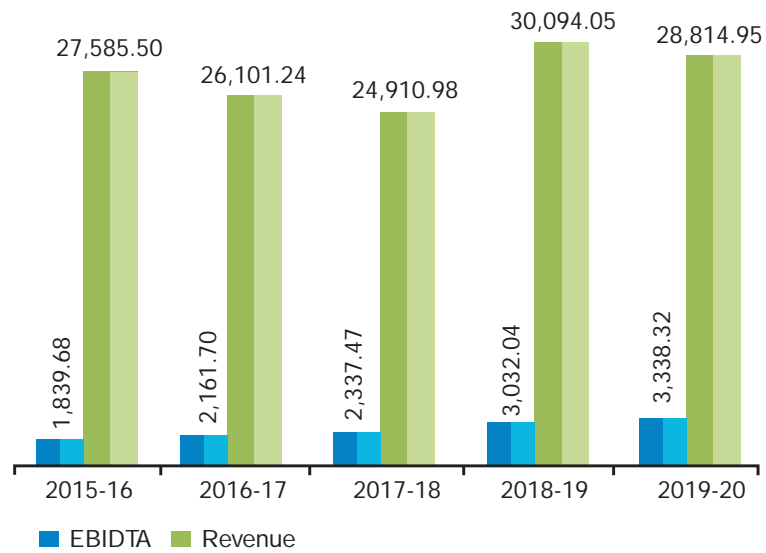
The paid up Equity Share Capital as at March 31st, 2020 was Rs. 624.00 Lakh. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity.

### TRANSFER TO RESERVE

Your Company has transferred an amount of Rs. 1600.00 Lakhs to the General Reserve for the financial year ended March 31st, 2020.

### DIVIDEND

Your Board has recommend dividend of Rs. 2.00 per share for the financial year ended March 31st, 2020 i.e., 20% on an Equity Share of Rs. 10 each. The dividend if approved by the shareholders at the ensuing Annual General Meeting shall be paid to those shareholders, whose names appear in the Register of Members as on Book Closure Date. Total dividend of 20% for the year 2019-20 would absorb Rs. 124.80 Lakhs.

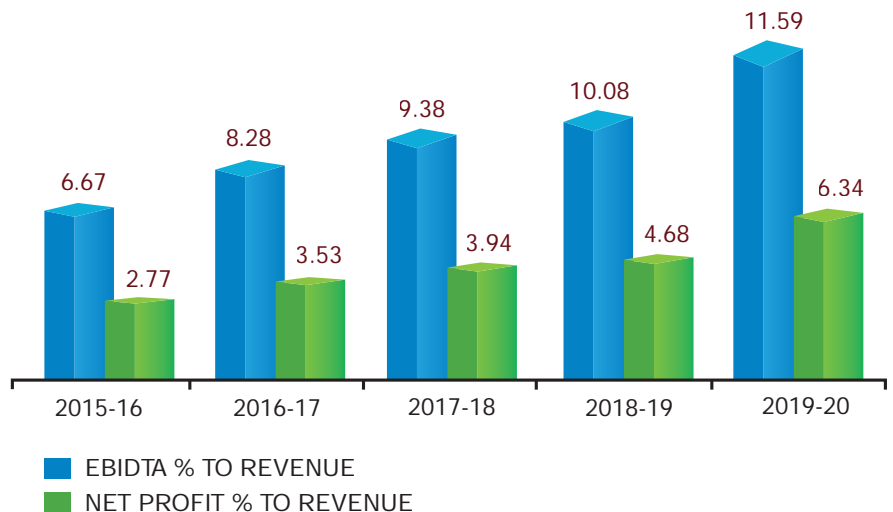




**TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND**

Pursuant to the provision of Section 124(5) of the Companies Act, 2013, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid/ unclaimed dividend account is required to be transferred by the Company to Investor Education and Protection Fund (IEPF), established by the Central Government under the provisions of Section 125 of Companies Act, 2013. Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, your Company has transferred Rs. 15765.60/- during the year to the Investor Education and Protection Fund. This amount was lying unclaimed/ unpaid with the Company for a period of 7 (Seven) years after declaration of Final Dividend for the Financial Year ended 2011-12.

Further, during the year, the Company has transmitted 916 Equity Shares of the Company into the DEMAT Account of the IEPF Authority held with NSDL in terms of the provisions of Section 124(6) of the Companies Act, 2013 and the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time





to time. These Equity Shares were the Shares of such 10 Shareholders whose unclaimed/ unpaid dividend pertaining to Financial Year 2011-12 had been transferred into IEPF and who had not encashed their dividends for 7 (Seven) subsequent Financial Years. Individual reminders were sent to concerned Shareholders advising them to encash their dividend and the complete List of such Shareholders whose Shares were due for transfer to the IEPF was also placed on the website of the Company [www.mallcom.in](http://www.mallcom.in). Concerned Shareholders may still claim the shares or apply for refund to the IEPF Authority in Web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in).

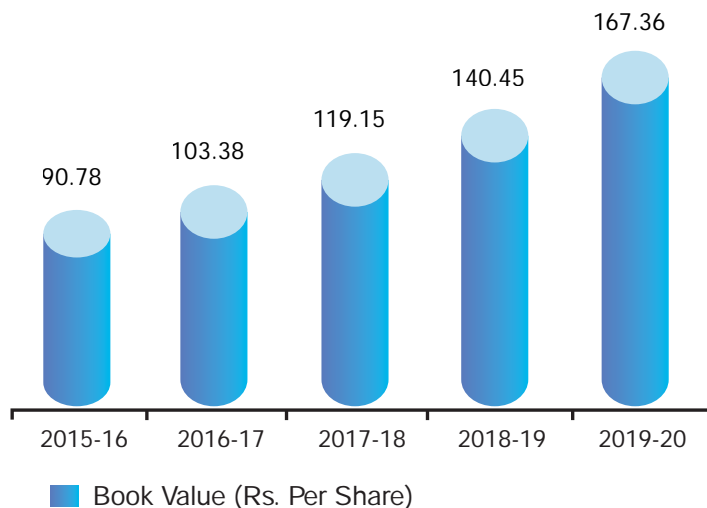
The voting rights on shares transferred to the IEPF Authority shall remain frozen until the rightful owner claims the shares. The shares held in such DEMAT account shall not be transferred or dealt with in any manner whatsoever except for the purposes of transferring the shares back to the claimant as and when he approaches the Authority. All benefits except rights issue accruing on such shares e.g. bonus shares, split, consolidation, fraction shares etc., shall also be credited to such DEMAT account. Any further dividend received on such shares shall be credited to the IEPF Fund.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY.**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this Report.

**CHANGE IN NATURE OF BUSINESS**

There has been no change in the nature of business of the company. Your Company continues to be one of the leading Personal Protective Equipment Manufacturer in the country.



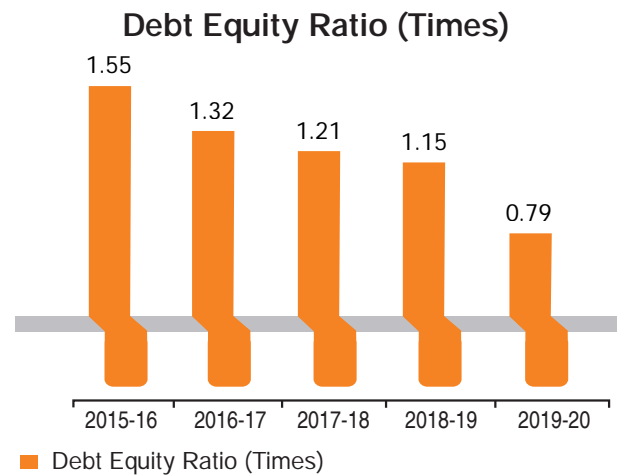
**SUBSIDIARY COMPANIES**

The Company has two subsidiary companies namely Mallcom VSFT Gloves Pvt. Ltd. and Mallcom Safety Pvt. Ltd. The Company regularly monitors the performance of these companies.

The Consolidated Profit and Loss Account for the period ended 31st March, 2020, includes the Profit and Loss Account for the subsidiaries for the complete Financial Year ended 31st March, 2020. The Consolidated Financial Statements of the Company including all subsidiaries duly audited by the statutory auditors are presented in the Annual Report. The consolidated financial statements have been prepared in strict compliance with applicable Accounting Standards and where applicable, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as prescribed by the Securities and Exchange Board of India.

A Report on Performance and Financial Position of each of the Subsidiaries in Form AOC-1, is annexed herewith as Annexure - A of this report. The annual accounts of the subsidiary companies and the related detailed information shall be made available to Shareholders of the Company upon request and it shall also be made available on the website of the Company at [www.mallcom.in](http://www.mallcom.in). The annual accounts of the subsidiary companies shall also be kept for inspection by any shareholder in the head office of the Company and the respective offices of its subsidiary companies.

The policy for determining material subsidiaries as approved may be accessed from the Company website at the [www.mallcom.in](http://www.mallcom.in).

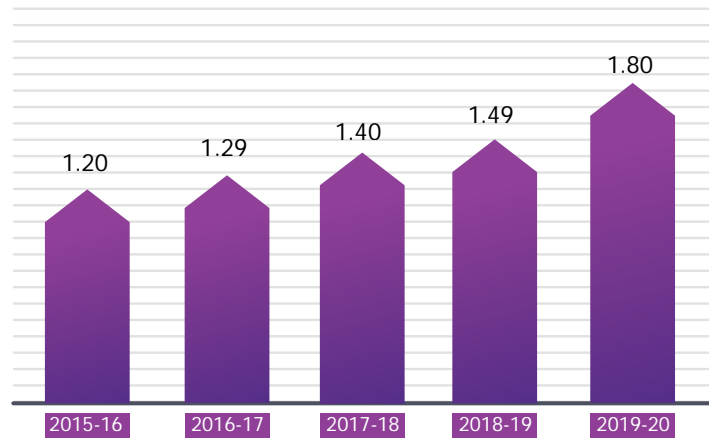


## DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with the Articles of Association of the company, Mr. Giriraj Kumar Mall (DIN 01043022), Director of the Company, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment. The Board recommends his re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

Further, pursuant to Regulation 17(1)(c) of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, the Board of Directors of Top 2000 listed entities by market capitalisation must consist of a minimum of 6 Directors. Accordingly, The Board upon the recommendation of the Nomination and Remuneration Committee, w.e.f. 1st April, 2020, appointed as Additional Directors, Mr. Arindam Bose (DIN: 05202786) (Non-Executive Non-Independent) and Mr. Gaurav Kumar Choudhary (DIN:01729690) (Non-Executive Independent) to hold office till the ensuing AGM. The Board recommends their appointment as Directors for the approval by the Shareholders of the Company at the ensuing AGM. The Company has received consent in writing from both to act as Director in Form DIR-2 and intimation in Form DIR-8 to the effect that they are not disqualified u/s 164(2) to act as Directors.

Current Ratio





All Independent directors have given declaration that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015. In the opinion of the Board, all the Independent Directors of the Company possess the attributes of integrity, expertise and experience as required.

During the year under review, no other changes took place in the Board of Directors except retire by rotation and further re-appointment of Mr. Giriraj Kumar Mall as Non-Executive Non-Independent Director.

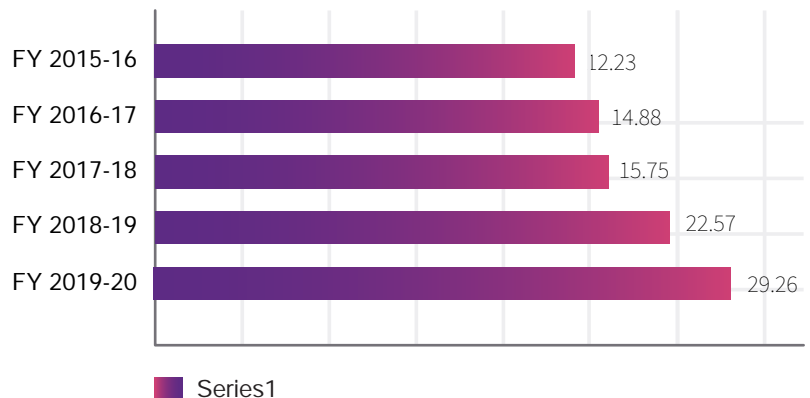
A Certificate of Non-Disqualification of Directors, pursuant to Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 obtained from M/s. Rakhi Dasgupta and Associates, Practicing Company Secretaries has been annexed as Annexure – D of this report.

**DIRECTORS’ RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- a) In the preparation of the annual accounts for the year ended March 31st, 2020 the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reason able 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 year;

**Earning Per Share**



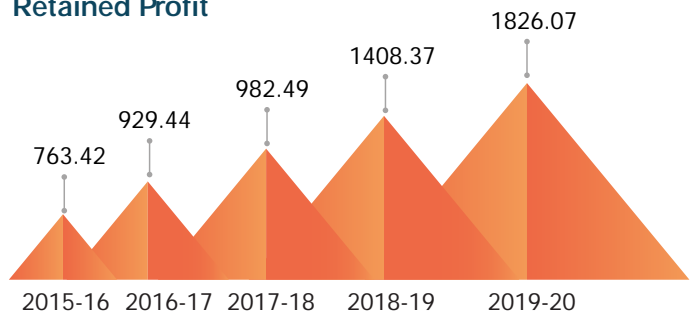


- c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) They have prepared the annual accounts on a going concern basis;
- e) They have laid down internal financial controls to be followed by the company that are adequate and were operating effectively.
- f) They have devised proper systems to ensure compliance with the provisions of the applicable laws and these are adequate and are operating effectively.

**NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS**

During the Financial Year 2019-20, the Board of Directors of the Company, met 4 (Four) times on 25th May, 2019, 13th August, 2019, 12th November, 2019, 10th February, 2020. Pursuant to the requirements of Schedule IV to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate Meeting of the Independent Directors of the Company was held on 10th February, 2020, without the presence of Non-Independent Directors and members of the management, to review the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairperson of the company and to assess the quality, quantity and timeliness of flow of information between the Company management and the Board.

**Retained Profit**



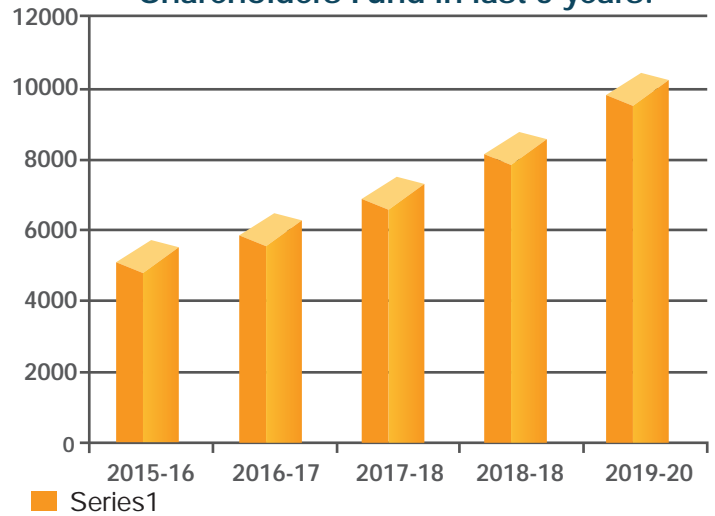
**COMPANY’S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION**

The Board of Directors in consonance with the recommendation of Nomination and Remuneration Committee (NRC) has adopted a terms of reference which, inter alia, deals with the manner of selection of Director and Key Managerial Personnel of the Company. The NRC recommends appointment of Director, Chief Executive Officer and Manager based on their qualifications, expertise, positive attributes and independence in accordance with prescribed provisions of the Companies Act, 2013 and rules framed there under. The NRC is responsible for identifying and recommending persons who are qualified to become directors or part of senior management of the Company. Remuneration Policy for the members of the Board and Executive Management has been framed, the said policies earmark the principles of remuneration and ensure a well balanced and performance related compensation package taking into account shareholders’ interest, industry practices and relevant corporate regulations in India. The Nomination and Remuneration Policy of the Company is available on the website of the Company at [www.mallcom.in](http://www.mallcom.in) under the “Codes & Policies” tab.

**BOARD EVALUATION**

As per the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, the formal annual evaluation was carried out for the Board’s own performance, its committee & Individual directors. Board Evaluation provides an opportunity to remind directors of the importance of group dynamics and effective board and committee processes in fulfilling board and committee responsibilities. The evaluation sets the standards of performance and improves the culture of collective action by Board. It also improves teamwork by creating better understating of Board dynamics, board-management relations and thinking as a group within the board. The manner and detail in which evaluation was carried out is stated in the Corporate Governance Report which is annexed and forms a part of this report.

**Shareholders Fund in last 5 years:**





### CODE OF CONDUCT

The Company’s code of conduct is based on principle that business should be conducted in a professional manner with honesty and integrity and thereby enhancing the reputation of the Company. The Code ensures lawful and ethical conduct in all affairs and dealings of the Company. The Company’s Policy on Code of Conduct is available on the website of the Company at [www.mallcom.in](http://www.mallcom.in) under the “Codes & Policies” tab.

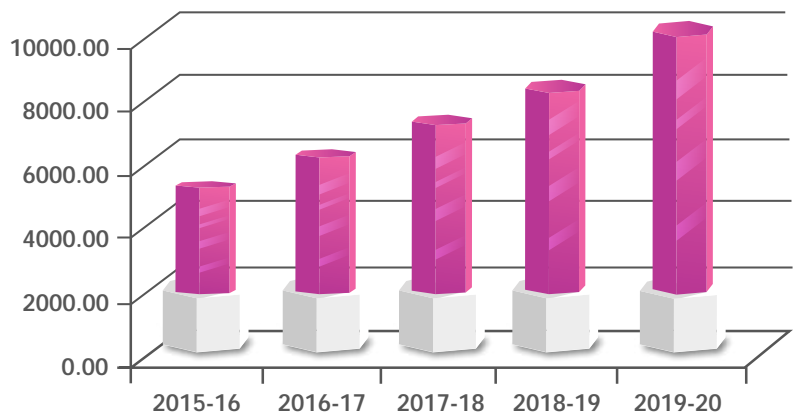
### AUDIT COMMITTEE

Audit Committee of the Board of Directors of the Company comprised of 3 (Three) Members, namely Mr. R.P. Singh, Mr. Giriraj Mall and Dr. Barsha Khattry. Two-third of them being Independent Directors and the other Non-Executive Director. Mr. R.P. Singh, an Independent Director, was the Chairman of the Audit Committee. The Board accepted the recommendations of the Audit Committee whenever made by the Committee during the year. Further details about the committee and its operations are provided in the Corporate Governance Report which forms part of the Annual Report and is annexed to this report.

### EXTRACT OF ANNUAL RETURN

A copy of the Annual Return of the Company containing the particulars prescribed u/s 92 of the Companies Act, 2013, as they stood on the close of the financial year i.e. 31st March, 2020 is furnished in ANNEXURE – B and forms part of this Report.

**Reserves & Surplus**





### **STATUTORY AUDITORS**

Pursuant to Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 the members of the Company in its 32nd Annual General Meeting approved the appointment of M/s. S. K. Singhania & Co, Chartered Accountants, as the Statutory Auditors of the Company to hold office until the conclusion of the ensuing 36th AGM.

The Report given by M/s. S. K. Singhania & Co, Chartered Accountants, on the financial statements of the Company for the financial year 2019-20 forms part of this Annual Report. There is no qualification, reservation or adverse remark or disclaimer in their Report. During the year under review, the Auditors had not reported any matter under Section 143 (12) of the Act.

As per provisions of Section 139 of the Companies Act, 2013, the Board of Directors in their meeting held on 31st July, 2020 have proposed appointment of M/s. S. K. Singhania & Co, Chartered Accountants as Statutory Auditors to hold office for a second term of 5 (Five) years from the conclusion of the 36th AGM till the conclusion of the 41st AGM. The Board recommends their appointment for consideration of the Members of the Company at the ensuing Annual General Meeting.

### **DISCLOSURE ON MAINTENANCE OF COST RECORDS**

The Company made and maintained the Cost Records under section 148 of the Companies Act, 2013 (18 of 2013) for the Financial Year 2019-20.

### **SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had appointed M/s. Rakhi Dasgupta & Associates, Company Secretaries in practice to undertake the Secretarial Audit of the Company for the financial year 2019-20. The Secretarial Audit report forms part of this Report as Annexure – C-1. The Secretarial Audit Report does not contain any qualification, reservation and adverse remark.

Further, the Secretarial Audit Reports of the Company's unlisted subsidiaries for the financial year 2019-20 forms part of this Report as Annexure – C-2



Further, pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Audit Reports of the Companies material unlisted subsidiaries for the financial year 2019-20 forms part of this Report as Annexure – C-2

A Secretarial Compliance Report for the financial year ended 31st March, 2020 on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder, was obtained from M/s. Rakhi Dasgupta & Associates, Secretarial Auditors, and duly submitted to BSE Ltd.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY**

The Particulars of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 and Schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 are given in the notes to the Financial Statements.

#### **RELATED PARTY TRANSACTIONS**

All transactions entered into with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and the provision of Section 188 of the Companies Act, 2013 and the Rules made thereunder are not attracted. Thus, disclosure in form AOC-2 in terms of Section 131 of the Companies Act, 2013 is not required. Further, there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel. The Company's policy on Related Party Transaction is available on the website of the Company at [www.mallcom.in](http://www.mallcom.in) under the "Codes & Policies" tab.

The details of related party disclosure under the relevant accounting standard from part of the notes to the financial statement provided in the Annual Report.

#### **DEPOSIT**

During the financial year under review, the company did not accept any deposit covered under Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

**CORPORATE SOCIAL RESPONSIBILITY**

Pursuant to Section 135 of Companies Act, 2013 read with rules made there under, the Directors have constituted a Corporate Social Responsibility Committee. As part of its initiative under Corporate Social Responsibility, the company has contributed for the purpose of scheme as provided in CSR Policy.

The CSR Policy may be accessed on the Company's website at [www.mallcom.in](http://www.mallcom.in) under the "Codes & Policies" tab and further details about the initiatives undertaken by the Company on CSR during the year under review have been appended in Annexure - E to this Report.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management's Discussion and Analysis forms part of this annual report and is annexed to this Report.

**CORPORATE GOVERNANCE**

The Company is committed to adopt good corporate governance practices. The report on Corporate Governance for the financial year ended March 31st 2020, as per Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms a part of this Annual Report. The requisite Certificate from Practicing Company Secretary for confirming the compliance with the conditions of Corporate Governance is annexed to the Report.

**RISK MANAGEMENT**

Risk Management has always been an integral part of the corporate strategy which complements the organizations capabilities with business opportunities, robust planning and execution. structured risk management system permits the management to take calibrated risks, which provides a holistic view of the business, wherein risks are identified in a structured manner from Top down to Bottom up approach. A key factor in sustainable value is the risk that the company is willing to take and its ability to manage them effectively In line with new regulatory requirements, the Company has framed a Risk Management Policy to identify the key risk areas, monitor and report compliance and effectiveness Appropriate actions pursuant to the Policy from time to time are taken to mitigate adverse impact of various Risks which may adversely affect the performance of the Company. The Risk Management Policy of the Company may be accessed on the Company's website [www.mallcom.in](http://www.mallcom.in) under the "Codes & Policies" tab.



## **ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Company has robust Internal Financial Controls Systems in place commensurate with the size and nature of its business, which facilitates orderly and efficient conduct of its business including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. The internal control system ensures compliance with all applicable laws and regulations and facilitates the optimum utilization of available resources and protects the interests of all stakeholders. The internal control systems are monitored and evaluated by the internal auditors and their audit reports are reviewed by the Audit Committee of the Board at periodic intervals. The details of the internal control system and adequacy are covered in Management Discussion and Analysis Report.

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has a Whistle blower policy in place whereby a forum is available for all Employee(s), business associate(s) engaged with the Company who can report any fraud, irregularity, wrong doing and unethical behaviour. The Policy provides that the Company investigate such reported matters in an impartial manner and take appropriate action to ensure that requisite standards of confidentiality, professional and ethical conduct are always upheld. Any complaint received under policy is put forward to the Chairman of the Audit Committee. The Whistle Blower Policy may be accessed on the Company's website [www.mallcom.in](http://www.mallcom.in) under the "Codes & Policies" tab.





## HUMAN RESOURCES

At Mallcom, our constant endeavour is to establish strong systems and processes that will enable increased employee engagement, drive right performance behaviours and build capabilities to support organizational growth. We consider our employees as the most valuable resource and ensure strategic alignment of Human Resource practices to business priorities and objectives. The Company routinely organises workshops and seminars focussed on creating a harmonious work environment, promoting ethical practices and strengthening the drive for high level performance. The company does not have any employee of the category as specified in Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Disclosure pertaining to remuneration and other details as required under Section 197 (12) of the Companies Act, 2013 read with Rules 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in Annexure - F

## CREDIT RATING

During the year under review, the company has been assigned Long Term Rating of BBB+ (stable) by ICRA Limited.

## DISCLOSURE UNDER SECTION 22 OF THE SEXUAL HARRASMENT OF WOMEN AT WORKPALCE (PREVENTION, PROHIBITION AND REDRESSAL), ACT, 2013.

As per the requirement of the Act, the Company has in place a policy on prevention of sexual harassment of women which provides for the protection of women employees at the workplace and for prevention and redressal of complaints. The Policy may be accessed on the Company's website [www.mallcom.in](http://www.mallcom.in) under the "Codes & Policies" tab. During the year no complaints were received.



### **CONSERVATION OF ENERGY, TECHNOLOGY ASORPTION AND FOREIGN EXCHANGE**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as Annexure – G.

### **SIGNIFICANT AND MATERIAL ORDER PASSED BY THE REGULATION**

There were no significant and material order passed by the Regulators or Courts or Tribunal during the year impacting the going concern status and the operations of the Company in future.

### **ACKNOWLEDGEMENT**

Your Directors wishes to place on record their sincere appreciation to employee at all level for their hard work, dedication and commitment towards Company's operations and performance. Your Directors also wish to place on record their gratitude for the valuable assistance and co-operation extended to the Company by the Central Government, State Governments, banks, institutions, investors and customers.

Date: July 31, 2020  
Reg. Office:  
EN-12, Sector-V  
Salt Lake City  
Kolkata-700091

For and on behalf of the Board

Ajay Kumar Mall  
Chairman and Managing Director  
(DIN: 00470184)

# Annexure A

## Form AOC-1

*(Pursuant to Section 129 (3) (1) read with rule 5 of Companies (Accounts) Rules, 2014)*

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures.

### Part "A" : Subsidiaries

Sl. No.	Particulars	Details	Details
1	Name of the subsidiary	Mallcom safety Pvt. Ltd.	Mallcom VSFT Gloves Pvt. Ltd.
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2019-2020	2019-2020
3	Reporting Currency And Exchange Rate As On The Last Date	INR	INR
4	Share Capital	100,00,000	4,89,40,000
5	Reserves & Surplus	2,49,69,151	3,27,43,205
6	Total Liabilities	36,60,339	4,80,70,662
7	Total assets	3,86,29,490	12,97,53,866
8	Investment	-	-
9	Turnover	-	8,55,05,699
10	Profit/(loss) before taxation	(2,14,585.31)	72,07,174
11	Provision for taxation	810	18,80,655
12	Profit/(loss) after taxation	(2,15,395.31)	64,50,838
13	Proposed dividend	-	-
14	% of shareholding	100	100

#### Notes:

- Names of subsidiaries which are yet to commence operations: **Not Applicable.**
- Names of subsidiaries which have been liquidated or sold during the year: **Not Applicable.**

#### For S. K. Singhania & Co. Chartered Accountants

Firm Registration No. 302206E

#### Rajesh Singhania

Partner

Membership No. 52722

Place: Kolkata

Date: 29<sup>th</sup> June, 2020

#### For and on behalf of the Board

#### A.K.Mall

Chairman & Managing Director  
(DIN : 00470184)

#### S.S.Agrawal

Chief Financial Officer

#### G.K.Mall

Director  
(DIN : 01043022)

#### S. Purakayastha

Company Secretary  
(ACS : 42302)



# Annexure B

## FORM NO.MGT 9 EXTRACT OF ANNUAL RETURN

as on financial year ended on March 31 st, 2020

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

### I. REGISTRATION & OTHER DETAILS :

i	CIN	L51109WB1983PLC037008
ii	Registration Date	13th December,1983
iii	Name of the Company	Mallcom (India) Limited
iv	Category/Sub-category of the Company	Public Company /Limited by shares
v	Address of the Registered office & contact details	EN-12, Sector-V, Salt Lake City, Kolkata-700091 Tel: +91 33 401 61 000, Fax:+91 33 401 61 01 0 Website: www.mallcom.in
vi	Whether listed company	Yes / <del>No</del>
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Niche Technologies Private Limited 3A Auckland Place, 7th Floor, Room No. 7A & 7B, Kolkata - 700017

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl No.	Name & Description of main products/services	NIC Code of the products/service	% to total turnover of the company
1	Manufacturer of Personnel Protective Equipment.	265	100%

### III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Mallcom Safety Pvt. Ltd. Add: EN-12, Sector-V, Salt Lake City, Kolkata-700091 .	U19200WB2007PTC120303	Subsidiary	100	2(87)
2	Mallcom VSFT Gloves Pvt. Ltd. Add: EN-12, Sector-V, Salt Lake City, Kolkata-700091 .	U74999WB2006PTC109074	Subsidiary	100	2(87)

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTERS</b>									
<b>(1) Indian</b>									
a) Individual / HUF	1363020	-	1363020	21.843	1362543	-	1362543	21.836	-0.007
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	3242142	-	3242142	51.957	3242166	-	3242166	51.958	0.001
e) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1)</b>	<b>4605162</b>	<b>-</b>	<b>4605162</b>	<b>73.801</b>	<b>4604709</b>	<b>-</b>	<b>4604709</b>	<b>73.793</b>	<b>-0.008</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter</b>									
<b>(A) = (A)(1)+(A)(2)</b>	<b>4605162</b>	<b>-</b>	<b>4605162</b>	<b>73.801</b>	<b>4604709</b>	<b>-</b>	<b>4604709</b>	<b>73.793</b>	<b>-0.008</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
c) Central Governments	-	-	-	-	-	-	-	-	-
d) State Governments	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Institutional Investors (FII)	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others [Specify]	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	30684	100	30784	0.493	30660	-	30660	0.491	-0.002
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs 1 lakh	190845	24485	215330	3.451	180674	22419	203093	3.255	-0.196
ii) Individual shareholders holding nominal share capital in excess of Rs 1 l	40000	-	40000	0.641	52245	-	52245	0.837	0.196
c) Others Specify									
1. NRI	1299313	-	1299313	20.822	1300773	-	1300773	20.846	0.024
2. Overseas Corporate Bodies									
3. Foreign Nationals	46950	-	46950	0.752	46950	-	46950	0.752	0.000
4. Clearing Members	2461	-	2461	0.039	654	-	654	0.010	-0.029
5. Trusts									
6. Foreign Bodies - D.R.									
7. IEPF Authority					916	-	916	0.015	0.015
Sub-total (B)(2)	1610253	24585	1634838	26.199	1612872	22419	1635291	26.207	0.008
Total Public Shareholding (B) = (B)(1)+(B)(2)	1610253	24585	1634838	26.199	1612872	22419	1635291	26.207	0.008
C. Shares held by Custodian for GDRs & ADRs									
<b>GRAND TOTAL (A+B+C)</b>	<b>6215415</b>	<b>24585</b>	<b>6240000</b>	<b>100.000</b>	<b>6217581</b>	<b>22419</b>	<b>6240000</b>	<b>100.000</b>	<b>0.000</b>

## ii. Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in share - holding during the year
		No. of Shares	% of total shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Ajay Kumar Mall	1025320	16.431	-	1025320	16.431	-	-
2	Anmol Component Private Limited	50000	0.801	-	50000	0.801	-	-
3	Chaturbujh Impex Private Limited	104700	1.678	-	104700	1.678	-	-
4	Dnb Exim Private Limited	85300	1.367	-	85300	1.367	-	-
5	Giriraj Mall	49300	0.790	-	48823	0.782	-	-0.007
6	Kadambini Securities Private Limited	2189606	35.090	-	2189606	35.090	-	-
7	Karani Dan Mall (Huf)	500	0.008	-	500	0.008	-	-
8	Kiran Devi Mall	28600	0.458	-	28600	0.458	-	-
9	Mallcom Holdings Private Limited	613600	9.833	-	613600	9.833	-	-
10	Movers Constructions Private Limited	83976	1.346	-	84000	1.346	-	0.001
11	Preeti Mall	4400	0.071	-	4400	0.071	-	-
12	Rohit Mall	3200	0.051	-	3200	0.051	-	-
13	Sanjay Kumar Mall	6500	0.104	-	6500	0.104	-	-
14	Sunita Mall	149200	2.391	-	149200	2.391	-	-
15	Surabhi Mall	96000	1.538	-	96000	1.538	-	-
16	SSR Enterprises Private Limited (Formerly Vikram Traders Pvt. Ltd.)	114960	1.842	-	114960	1.842	-	-
	<b>TOTAL</b>	<b>4605162</b>	<b>73.801</b>	<b>-</b>	<b>4604709</b>	<b>73.793</b>	<b>-</b>	<b>-0.008</b>

### iii. Change in Promoter's Shareholding

Sl No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	AJAY KUMAR MALL				
	a) At the Beginning of the Year	1025320	16.431		
	<b>b) Changes during the year</b>	<b>[NO CHANGES DURING THE YEAR]</b>			
	c) At the End of the Year			1025320	16.431
2	ANMOL COMPONENT PRIVATE LIMITED				
	a) At the Beginning of the Year	50000	0.801		
	<b>b) Changes during the year</b>	<b>[NO CHANGES DURING THE YEAR]</b>			
	c) At the End of the Year			50000	0.801
3	CHATURBUJH IMPEX PRIVATE LIMITED				
	a) At the Beginning of the Year	104700	1.678		
	<b>b) Changes during the year</b>	<b>[NO CHANGES DURING THE YEAR]</b>			
	c) At the End of the Year			104700	1.678
4	DNB EXIM PRIVATE LIMITED				
	a) At the Beginning of the Year	85300	1.367		
	<b>b) Changes during the year</b>	<b>[NO CHANGES DURING THE YEAR]</b>			
	c) At the End of the Year			85300	1.367
5	GIRIRAJ MALL				
	a) At the Beginning of the Year	49300	0.790		
	b) Changes during the year				
	<b>Date Reason</b>				
	06/12/2019 Transfer	(477)	0.008	48823	0.782
	c) At the End of the Year			48823	0.782
6	KADAMBINI SECURITIES PRIVATE LIMITED				
	a) At the Beginning of the Year	2189606	35.090		
	<b>b) Changes during the year</b>	<b>[NO CHANGES DURING THE YEAR]</b>			
	c) At the End of the Year			2189606	35.090
7	KARANI DAN MALL (HUF)				
	a) At the Beginning of the Year	500	0.008		
	<b>b) Changes during the year</b>	<b>[NO CHANGES DURING THE YEAR]</b>			
	c) At the End of the Year			500	0.008
8	KIRAN DEVI MALL				
	a) At the Beginning of the Year	28600	0.458		
	<b>b) Changes during the year</b>	<b>[NO CHANGES DURING THE YEAR]</b>			
	c) At the End of the Year			28600	0.458
9	MALLCOM HOLDINGS PRIVATE LIMITED				
	a) At the Beginning of the Year	613600	9.833		
	<b>b) Changes during the year</b>	<b>[NO CHANGES DURING THE YEAR]</b>			
	c) At the End of the Year			613600	9.833

Sl No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
10	MOVERS CONSTRUCTIONS PRIVATE LIMITED				
	a) At the Beginning of the Year	83976	1.346		
	b) Changes during the year				
	<b>Date Reason</b>				
	05/04/2019 Transfer	24	-	84000	1.346
	c) At the End of the Year			84000	1.346
11	PREETI MALL				
	a) At the Beginning of the Year	4400	0.071		
	<b>b) Changes during the year</b>	<b>[NO CHANGES DURING THE YEAR]</b>			
	c) At the End of the Year			4400	0.071
12	ROHIT MALL				
	a) At the Beginning of the Year	3200	0.051		
	<b>b) Changes during the year</b>	<b>[NO CHANGES DURING THE YEAR]</b>			
	c) At the End of the Year			3200	0.051
13	SANJAY KUMAR MALL				
	a) At the Beginning of the Year	6500	0.104		
	<b>b) Changes during the year</b>	<b>[NO CHANGES DURING THE YEAR]</b>			
	c) At the End of the Year			6500	0.104
14	SUNITA MALL				
	a) At the Beginning of the Year	149200	2.391		
	<b>b) Changes during the year</b>	<b>[NO CHANGES DURING THE YEAR]</b>			
	c) At the End of the Year			149200	2.391
15	SURABHI MALL				
	a) At the Beginning of the Year	96000	1.538		
	<b>b) Changes during the year</b>	<b>[NO CHANGES DURING THE YEAR]</b>			
	c) At the End of the Year			96000	1.538
16	SSR ENTERPRISES PRIVATE LIMITED (Formerly Vikram Traders Pvt. Ltd.)				
	a) At the Beginning of the Year	114960	1.842		
	<b>b) Changes during the year</b>	<b>[NO CHANGES DURING THE YEAR]</b>			
	c) At the End of the Year			114960	1.842
	<b>TOTAL</b>	<b>4605162</b>	<b>73.801</b>	<b>4604709</b>	<b>73.793</b>

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holder of GDRs and ADRs):

Sl No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	ARUN KHERA				
	a) At the Beginning of the Year	7515	0.120		
	<b>b) Changes during the year</b>	<b>[NO CHANGES DURING THE YEAR]</b>			
	c) At the End of the Year			7515	0.120
2	HEINRICH GERARDUS CRAMER				
	a) At the Beginning of the Year	46950	0.752		
	<b>b) Changes during the year</b>	<b>[NO CHANGES DURING THE YEAR]</b>			
	c) At the End of the Year			46950	0.752
3	JAY KUMAR DAGA				
	a) At the Beginning of the Year	1298494	20.809		
	<b>b) Changes during the year</b>	<b>[NO CHANGES DURING THE YEAR]</b>			
	c) At the End of the Year			1298494	20.809
4	MANGLA SHANTILAL GADA				
	a) At the Beginning of the Year	8591	0.138		
	b) Changes during the year				
	Date Reason				
	07/06/2019 Transfer	3654	0.059	12245	0.196
	c) At the End of the Year			12245	0.196
5	PLUTUS CAPITAL MANAGEMENT LLP				
	a) At the Beginning of the Year	29530	0.473		
	<b>b) Changes during the year</b>	<b>[NO CHANGES DURING THE YEAR]</b>			
	c) At the End of the Year			29530	0.473
6	S N GADA .				
	a) At the Beginning of the Year	8342	0.134		
	b) Changes during the year				
	Date Reason				
	19/04/2019 Transfer	(1)	-	8341	0.134
	c) At the End of the Year			8341	0.134
7	SARATH SURA				
	a) At the Beginning of the Year	9275	0.149		
	<b>b) Changes during the year</b>	<b>[NO CHANGES DURING THE YEAR]</b>			
	c) At the End of the Year			9275	0.149

Sl No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8	SINGHI DINESH KUMAR HUF				
	a) At the Beginning of the Year	8247	0.132		
	b) Changes during the year				
	<b>Date Reason</b>				
	20/12/2019 Transfer	500	0.008	8747	0.140
	c) At the End of the Year			8747	0.140
9	SUNIL NANALAL KOTHARI				
	a) At the Beginning of the Year	7204	0.115		
	b) Changes during the year				
	<b>Date Reason</b>				
	12/04/2019 Transfer	(110)	0.002	7094	0.114
	19/04/2019 Transfer	(200)	0.003	6894	0.110
	26/04/2019 Transfer	(300)	0.005	6594	0.106
	15/11/2019 Transfer	(65)	0.001	6529	0.105
	20/12/2019 Transfer	(100)	0.002	6429	0.103
	31/12/2019 Transfer	(300)	0.005	6129	0.098
	06/03/2020 Transfer	(87)	0.001	6042	0.097
	c) At the End of the Year			6042	0.097
10	ZAKI ABBAS NASSER				
	a) At the Beginning of the Year	40000	0.641		
	<b>b) Changes during the year</b>	<b>[NO CHANGES DURING THE YEAR]</b>			
	c) At the End of the Year			40000	0.641
	<b>TOTAL</b>	<b>1464148</b>	<b>23.464</b>	<b>1467139</b>	<b>23.512</b>



**v. Shareholding of Directors and Key Managerial Personnel**

Sl No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	AJAY KUMAR MALL				
	a) At the Beginning of the Year	1025320	16.431		
	<b>b) Changes during the year</b>	<b>[NO CHANGES DURING THE YEAR]</b>			
	c) At the End of the Year			1025320	16.431
2	GIRIRAJ MALL				
	a) At the Beginning of the Year	49300	0.790		
	b) Changes during the year				
	<b>Date Reason</b>				
	06/12/2019 Transfer	[477]	0.008	48823	0.782
	c) At the End of the Year			48823	0.782
	<b>TOTAL</b>	<b>1074620</b>	<b>17.221</b>	<b>1074143</b>	<b>17.214</b>

**V. INDEBTEDNESS**

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year i.e, 01.04.2019</b>				
i) Principal Amount	452,939,232	-	-	-
ii) Interest due but not paid	1,459,154	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>4,54,398,386</b>	-	-	-
<b>Change in Indebtedness during the financial year</b>				
Additions	138,11,88,577	-	-	-
Reduction	151,05,79,479	-	-	-
<b>Net Change</b>	<b>(129,390,902)</b>	-	-	-
<b>Indebtedness at the end of the financial year i.e, 31.03.2020</b>				
i) Principal Amount	323,548,330	-	-	-
ii) Interest due but not paid	1,042,318	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>324,590,648</b>	-	-	-

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

[ ₹ in Lakhs]

Sl. No.	Particulars of Remuneration	Name of the MD/ WTD/Manager	Total Amount
1	Gross salary	Mr. Ajay Kumar Mall [Managing Director]	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961	38.66	38.66
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock option	-	-
3	Sweat Equity	-	-
4	Commission: as % of profit others (specify)	- - -	- - -
5	Others, please specify	-	-
	<b>Total (A)</b>	<b>38.66</b>	<b>38.66</b>
	<b>Ceiling as per the Act</b>	<b>5% of the Net Profit of the Company</b>	

**B. Remuneration to other Director**

[ ₹ in Lakhs]

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
1	Independent Directors	Mr.R.P. Singh	Dr. Barsha Khattry	
	(a) Fee for attending board & committee meetings	0.36	0.48	0.84
	(b) Commission	-	-	-
	(c) Others, please specify	-	-	-
	<b>Total (1)</b>	<b>0.36</b>	<b>0.48</b>	<b>0.84</b>
2	Other Non Executive Directors	Mr.Giriraj Kumar Mall	-	-
	(a) Fee for attending board committee meetings	-	-	-
	(b) Commission	-	-	-
	(c) Others, please specify	-	-	-
	Total (2)	-	-	-
	<b>Total (B)=(1+2)</b>	<b>0.36</b>	<b>0.48</b>	<b>0.84</b>
	Total Managerial Remuneration	0.36	0.48	0.84

**C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD**

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary	CFO	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	4.15	14.00	18.15
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	as % of profit	-	-	-	-
	others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	-	<b>4.15</b>	<b>14.00</b>	<b>18.15</b>

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

The details of penalties, punishments, compounding of offences for the year ended March 31, 2020 are as follows :

Type	Section of the Companies Act	Brief description	Details of penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made if any (give details)
<b>1. COMPANY</b>					
PENALTY	-	-	-	-	-
PUNISHMENT	-	-	-	-	-
COMPOUNDING	-	-	-	-	-
<b>2. DIRECTORS</b>					
PENALTY	-	-	-	-	-
PUNISHMENT	-	-	-	-	-
COMPOUNDING	-	-	-	-	-
<b>3. OTHER OFFICER IN DEFAULT</b>					
PENALTY	-	-	-	-	-
PUNISHMENT	-	-	-	-	-
COMPOUNDING	-	-	-	-	-

**For and on behalf of the Board**
**Ajay Kumar Mall**

 Chairman & Managing Director  
 (DIN:00470184)

 Place: Kolkata  
 Date: 31st July, 2020

## Annexure C-1

**Form No. MR-3****Secretarial Audit Report  
For the financial year ended 31st March, 2020**

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

To,  
The Members,  
**MALLCOM (INDIA) LIMITED,**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MALLCOM (INDIA) LIMITED** (hereinafter called **the company**). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my Opinion thereon.

Based on my verification of the Company's, Mallcom (India) Limited, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Mallcom (India) Limited ("The Company") for the financial year ended on 31<sup>st</sup> March, 2020, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India [Substantial Acquisition of Shares and Takeovers] Regulations, 2011;
  - (b) The Securities and Exchange Board of India [Prohibition of Insider Trading] Regulations, 1992;
  - (c) The Securities and Exchange Board of India [Issue of Capital and Disclosure Requirements] Regulations, 2009; **NOT APPLICABLE**
  - (d) The Securities and Exchange Board of India [Employee Stock Option Scheme and Employee Stock Purchase Scheme] Guidelines, 1999; **NOT APPLICABLE**
  - (e) The Securities and Exchange Board of India [Issue and Listing of Debt Securities] Regulations, 2008; **NOT APPLICABLE**
  - (f) The Securities and Exchange Board of India [Registrars to an Issue and Share Transfer Agents] Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India [Delisting of Equity Shares] Regulations, 2009; **NOT APPLICABLE** and
  - (h) The Securities and Exchange Board of India [Buyback of Securities] Regulations, 1998; **NOT APPLICABLE**
  - (i) The Securities and Exchange Board of India [Listing Obligation and Disclosure Requirements] Regulation, 2015, (hereinafter referred to as as "Listing Regulation, 2015");
- (vi) Secretarial Standards 1 & 2 as issued by the Institute of Company Secretaries of India;

I, having regard to the compliance System existing in the Company and on the basis of my examination of the documents and records maintained in pursuance thereof, report that the company has complied with the following laws applicable specifically to the company:

1. Factories Act, 1948
2. The Minimum Wages Act, 1948
3. The Employee's Compensation Act, 1923 [Earlier known as Workmen's Compensation Act, 1993]
4. The Employees Provident Fund & Miscellaneous Act, 1952
5. The Employees' State Insurance Act, 1948
6. Employees' State Insurance [General] Regulations, 1950 and Employees' State Insurance [Central] Rules, 1950
7. The Payment of Gratuity Act, 1972 and Rules made thereunder
8. The Industrial Disputes Act, 1948
9. The Maternity Benefit Act, 1961 and subsequent amendments thereof
10. Equal Remuneration Act, 1976
11. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013
12. Competition Act, 2002
13. Environment Protection Act, 1986 and Environment Protection Rules, 1986
14. The Air (Prevention & Control of Pollution) Act, 1981 and Rules made thereunder
15. The Water (Prevention & Control of Pollution) Act, 1974 and Rules made thereunder

**Management's Responsibility:**

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on the basis of my Secretarial Audit based on the secretarial records provided to me by the management;
2. I have followed the appropriate Audit Practices and the processes to obtain a reasonable assurance about the correctness of the content of the records. The verification was done on test-check basis to ensure that the facts are correctly reflected on the records.
3. I have not verified the correctness and the appropriateness of financial records and Books of Account of the company.
4. Wherever required, I have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Recommendations:**

**I report that**, during the year under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines and Standards mentioned above.

**I further report that**, there were no events / actions in pursuance of:-

- a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and
- b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, requiring compliance thereof by the Company during the audit period.

**I further report that**, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes (if any) in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

**I further report that**, based on the information provided and the representation made by the Company and also on the review of the compliance certificates / reports taken on record by the Board of Directors of the Company, in my opinion, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that**, based on the information provided by the Company during the period under review and also on the review of quarterly compliance reports by the Company Secretary taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws.

**I further report that**, during the Audit Period under review, the Company has not incurred any specific event/ action that can have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place: Kolkata  
Dated: June 15th, 2020

**For Rakhi Dasgupta & Associates**  
Company Secretaries  
Firm Registration No. S2019WB692200

**Rakhi Dasgupta**  
ACS No. 28739  
CP No. 20354  
UDIN : A028739B000342734

# Annexure C-2

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020**

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

To,  
The Members  
**MALLCOM SAFETY PRIVATE LIMITED**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MALLCOM SAFETY PRIVATE LIMITED** [hereinafter called **the company**]. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my Opinion thereon.

Based on my verification of the Company's, Mallcom Safety Private Limited, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Mallcom Safety Private Limited ["The Company"] for the financial year ended on 31<sup>st</sup> March, 2020, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts [Regulation] Act, 1956 ['SCRA'] and the rules made there under; **Not Applicable**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings; **Not Applicable**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- **Not Applicable**
  - (a) The Securities and Exchange Board of India [Substantial Acquisition of Shares and Takeovers] Regulations, 2011;
  - (b) The Securities and Exchange Board of India [Prohibition of Insider Trading] Regulations, 1992;
  - (c) The Securities and Exchange Board of India [Issue of Capital and Disclosure Requirements] Regulations, 2009;
  - (d) The Securities and Exchange Board of India [Employee Stock Option Scheme and Employee Stock Purchase Scheme] Guidelines, 1999;
  - (e) The Securities and Exchange Board of India [Issue and Listing of Debt Securities] Regulations, 2008;
  - (f) The Securities and Exchange Board of India [Registrars to an Issue and Share Transfer Agents] Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India [Delisting of Equity Shares] Regulations, 2009; and
  - (h) The Securities and Exchange Board of India [Buyback of Securities] Regulations, 1998;
  - (i) The Securities and Exchange Board of India [Listing Obligation and Disclosure Requirements] Regulation, 2015, (hereinafter referred to as as "Listing Regulation, 2015");
- (vi) Secretarial Standards 1 & 2 as issued by the Institute of Company Secretaries of India;

I, having regard to the compliance System existing in the Company and on the basis of my examination of the documents and records maintained in pursuance thereof, report that the company has complied with the following laws applicable specifically to the company:

1. Factories Act, 1948
2. The Minimum Wages Act, 1948
3. The Employee's Compensation Act, 1923 [Earlier known as Workmen's Compensation Act, 1993]
4. The Employees Provident Fund & Miscellaneous Act, 1952
5. The Employees' State Insurance Act, 1948
6. Employees' State Insurance (General) Regulations, 1950 and Employees' State Insurance (Central) Rules, 1950
7. The Payment of Gratuity Act, 1972 and Rules made thereunder
8. The Industrial Disputes Act, 1948
9. The Private Securities Agencies Regulations Act, 2005
10. The Maternity Benefit Act, 1961 and subsequent amendments thereof
11. Equal Remuneration Act, 1976
12. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013
13. Competition Act, 2002
14. Environment Protection Act, 1986 and Environment Protection Rules, 1986
15. The Air (Prevention & Control of Pollution) Act, 1981 and Rules made thereunder
16. The Water (Prevention & Control of Pollution) Act, 1974 and Rules made thereunder

### **Management's Responsibility:**

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on the basis of my Secretarial Audit based on the secretarial records provided to me by the management;
2. I have followed the appropriate Audit Practices and the processes to obtain a reasonable assurance about the correctness of the content of the records. The verification was done on test-check basis to ensure that the facts are correctly reflected on the records.
3. I have not verified the correctness and the appropriateness of financial records and Books of Account of the company.
4. Wherever required, I have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

### **Recommendations:**

**I report that**, during the year under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines and Standards mentioned above.



**I further report that**, the company is an unlisted private company and hence, there were no events / actions in pursuance of The Securities and Exchange Board of India Act, 1992 and the Regulations thereof.

**I further report that**, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes (if any) in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

**I further report that**, based on the information provided and the representation made by the Company and also on the review of the compliance certificates / reports taken on record by the Board of Directors of the Company, in my opinion, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that**, based on the information provided by the Company during the Audit Period under review and also on the review of quarterly compliance reports by the Company Secretary taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws.

**I further report that**, during the Audit Period under review, the Company has not incurred any specific event/ action that can have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place: Kolkata  
Dated: June 15th, 2020

**For Rakhi Dasgupta & Associates**  
Company Secretaries  
Firm Registration No. S2019WB692200

**Rakhi Dasgupta**  
ACS No. 28739  
CP No. 20354  
UDIN : A028739B000342811

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020**

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

To,  
The Members,  
**Mallcom VSFT Gloves Private Limited,**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MALLCOM VSFT GLOVES PRIVATE LIMITED** (hereinafter called **the company**). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my Opinion thereon.

Based on my verification of the Company's, Mallcom VSFT Gloves Private Limited, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Mallcom VSFT Gloves Private Limited ("The Company") for the financial year ended on 31<sup>st</sup> March, 2020, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; **Not Applicable**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings; **Not Applicable**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- **Not Applicable**
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - (i) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015, (hereinafter referred to as as "Listing Regulation, 2015");
- (vi) Secretarial Standards 1 & 2 as issued by the Institute of Company Secretaries of India;

I, having regard to the compliance System existing in the Company and on the basis of my examination of the documents and records maintained in pursuance thereof, report that the company has complied with the following laws applicable specifically to the company:

1. Factories Act, 1948
2. The Minimum Wages Act, 1948
3. The Employee's Compensation Act, 1923 (Earlier known as Workmen's Compensation Act, 1993)
4. The Employees Provident Fund & Miscellaneous Act, 1952
5. The Employees' State Insurance Act, 1948
6. Employees' State Insurance (General) Regulations, 1950 and Employees' State Insurance (Central) Rules, 1950
7. The Payment of Gratuity Act, 1972 and Rules made thereunder
8. The Industrial Disputes Act, 1948
9. The Private Securities Agencies Regulations Act, 2005
10. The Maternity Benefit Act, 1961 and subsequent amendments thereof
11. Equal Remuneration Act, 1976
12. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013
13. Competition Act, 2002
14. Environment Protection Act, 1986 and Environment Protection Rules, 1986
15. The Air (Prevention & Control of Pollution) Act, 1981 and Rules made thereunder
16. The Water (Prevention & Control of Pollution) Act, 1974 and Rules made thereunder

**Management's Responsibility:**

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on the basis of my Secretarial Audit based on the secretarial records provided to me by the management;
2. I have followed the appropriate Audit Practices and the processes to obtain a reasonable assurance about the correctness of the content of the records. The verification was done on test-check basis to ensure that the facts are correctly reflected on the records.
3. I have not verified the correctness and the appropriateness of financial records and Books of Account of the company.
4. Wherever required, I have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Recommendations:**

**I report that,** during the year under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines and Standards mentioned above.

**I further report that**, the company is an unlisted private company and hence, there were no events / actions in pursuance of The Securities and Exchange Board of India Act, 1992 and the Regulations thereof.

**I further report that**, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes (if any) in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

**I further report that**, based on the information provided and the representation made by the Company and also on the review of the compliance certificates / reports taken on record by the Board of Directors of the Company, in my opinion, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that**, based on the information provided by the Company during the Audit Period under review and also on the review of quarterly compliance reports by the Company Secretary taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws.

**I further report that**, during the Audit Period under review, the Company has not incurred any specific event/ action that can have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place: Kolkata  
Dated: June 15th, 2020

**For Rakhi Dasgupta & Associates**  
Company Secretaries  
Firm Registration No. S2019WB692200

**Rakhi Dasgupta**  
ACS No. 28739  
CP No. 20354  
UDIN : A028739B000342921

# Annexure D

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members,  
M/s. Mallcom (India) Ltd,  
N-12, Sector-V,  
Salt Lake City,  
Kolkata-700091

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/S. MALLCOM (INDIA) LTD** having **CIN- L51109WB1983PLC037008** and having registered office at **N-12, Sector-V, Salt Lake City Kolkata-700091** and (hereinafter referred to as "the Company"), produced before me by the authorized officials of the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications [including Directors Identification Number (DIN) status at the Portal <http://www.mca.gov.in/mcafoportal/viewSignatoryDetails.do>] as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs (MCA) or any such other Statutory Authorities:

Sl. No.	Name of Directors	DIN	Date of Appointment
1	RAVINDRA PRATAP SINGH	00240910	26/04/2011
2	AJAY KUMAR MALL	00470184	13/12/1983
3	GIRIRAJ KUMAR MALL	01043022	07/08/2010
4	BARSHA KHATTRY	01974874	16/01/2014

Furthermore, ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on the appointment / continuity of Directors on Board, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata  
Dated: June 29th, 2020

**For Rakhi Dasgupta & Associates**  
Company Secretaries  
Firm Registration No. S2019WB692200

**Rakhi Dasgupta**  
ACS No. 28739  
CP No. 20354  
UDIN : A028739B000416709

# Annexure E

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES FOR THE FINANCIAL YEAR 2019-20

[Pursuant to Section 135 of the Companies Act, 2013 Read with Companies (Corporate Social Responsibility Policy), Rules, 2014]

### 1. A brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR Policy and projects or programs:

Corporate Social Responsibility is strongly connected with the principles of sustainability; an organization should make decision not only on financial factors, but also considering the social and environmental consequences. As a corporate citizen receiving various benefits out of society, it is our co-extensive responsibility to pay back in return to the people, society and the environment for inclusive growth of the society where we operates. Company aims to continue its efforts to build on its tradition of social responsibility to empower people and deepen its social engagements.

The company understands the needs for promoting education, growth and development of children from lower socio-economic section of society and has also contributed to promote Olympic Sports during the financial year 2019-20.

The Corporate Social Responsibility (CSR) Committee has formulated and recommended to the Board, this Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy may be accessed on the Company's website [www.mallcom.in](http://www.mallcom.in)

### 2. The composition of the CSR Committee:

The CSR Committee of the Board of Directors oversees the CSR undertakings to ensure that the CSR objectives are met. The CSR Committee Comprises of:-

- Mr. Ajay Kumar Mall , Managing Director - Chairman
- Giriraj Kumar Mall, Non-Executive Director – Member
- Dr. Barsha Khattry, Non-Executive Independent Director - Member

### 3. Average Net Profit of the company for the last three Financial Year and prescribed CSR expenditure:

Section 135 of the Companies Act, 2013 and rules made there under prescribes that every company having a net worth of rupees 500 Crores or more, or turnover of rupees 1000 Crores or more or a net profit of rupees 5 Crores or more during any financial year shall ensure that the Company spends, in every financial year atleast 2% of the average net profit made during the three immediately preceding financial years, in pursuance of its CSR Policy. The provisions pertaining to corporate social responsibility ('CSR') as prescribed under the Companies Act, 2013 are applicable to the Company.

(₹ in Lakhs)

Particulars	Amounts
Average net profit of the Company for last three financial years	1106.77
Prescribed CSR Expenditure (2% of the average net profit)	22.14
Total amount to be spent for the financial year 2019-20	22.14
Amount Spent during the financial year 2019-20	34.00
Unspent Amount during the financial year 2019-20	-

4. Prescribed CSR expenditure (two percent of the amount as in item 3 above):

[ ₹ in Lakhs]

Sl. No.	Project or activity identified	Sector	Location	Amount outlay (budget) Project or Program wise	Amount spent on the Projects or Programs (1) direct exp. (2) overhead	Cumulative expenditure up to the reporting period	Amount spent: direct or through implementing agency
1	Training & Promotion of Olympics Sports via Air Rifle Shooter India, Ms. Mehuli Ghosh and Para Badminton Athlete Ms. Manasi Joshi	Olympics Sports	-	34.00 Lakhs	34.00 Lakhs	34.00 Lakhs	Direct

Ms. Mehuli Ghosh is one of the youngest Air Rifle Shooters of India and according to the International Shooting Sport Federation (ISSF), she has a world ranking of sixth and Asian ranking of third. Para Badminton Athlete Ms. Manasi Joshi is currently ranked World No. 2 in Singles

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR Objectives and policy.

**Ajay Kumar Mall**

Chairman & Managing Director, Chairman of CSR Committee  
DIN:00470184

**Giriraj Kumar Mall**

Director & Member of CSR Committee  
DIN:01 043022

# Annexure F

## DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No	Name of Director/KMP and Designation	Remuneration of Director/KMP for FY 2019-20 (Rs. in Lakh)	% increase / (decrease) in Remuneration in FY 2019-20	Ratio of remuneration of each Director to median remuneration of employees
1.	Ajay Kumar Mall Managing Director	38.66	7	17.34
2.	Giriraj Mall Director	NA	NA	NA
3.	Ravindra Pratap Singh Independent Director	NA	NA	NA
4.	Barsha Khattry Independent Director	NA	NA	NA
5.	Shyam Sundar Agarwal Chief Financial Officer	14.00	18.65	NA
6.	Shuvanki Purakayastha Company Secretary	4.15	(4.38)	NA

Sitting Fees paid to the Directors have not been considered as remuneration.

The median remuneration of employees of the Company during the financial year was Rs. 2.23 Lakh. In the financial year, there was an increase of 16.15% in the median remuneration of employees.

There were 413 permanent employees on the rolls of Company as on March 31, 2020.

Average percentile increase made in the salaries of employees other than the managerial personnel and its comparison with the percentile increase in the Managerial Remuneration and justification thereof:

Average percentage increase in the salaries of employees other than Managerial Personnel is 19 % while percentile increase in the Managerial Remuneration is 8 %. The average increase every year is an outcome of the Company's market competitiveness, salary benchmarking survey, inflation and talent retention.

It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy of the Company.

For and behalf of the Board

**Ajay Kumar Mall**

Chairman & Managing Director  
(DIN : 00470184)



# Annexure G

**INFORMATION ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED TO BE DISCLOSED UNDER SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (ACCOUNTS) RULES, 2014 ARE PROVIDED HEREUNDER:**

**A. CONSERVATION OF ENERGY**

(i) The steps taken or impact on conservation of energy:

The Company is preventing wastage of energy usage by relentless optimization process to achieve lower fuel/energy consumption. The Company has also placed well-structured energy management system.

(ii) The steps taken by the company for utilizing alternate sources of energy:

The Company is exploring viability of renewable source of energy at its selected site and during the Financial Year 2019-20 has increased the usage of rice husk in manufacturing activities of its subsidiary company .

(iii) The capital investment on energy conservation equipment's:

The Company has not made any material capital investment on energy conservation equipment during the year.

**B. TECHNOLOGY ABSORPTION**

As your Company has not entered into technical collaboration with any entity, there are no particulars relating to technology absorption and has not imported any technology during the year. The Company however has been continuously upgrading its manufacturing facility with the latest equipments and gadgets available in the market for automation as well as improved quality control.

The Company do have Research & Development (R&D) section and keeps developing various new products as per the market requirement either on demand or as per its own innovation and has been continuously adding to its range of products. Expenditure incurred by the company on R&D activities are clubbed with the normal business expenses and are not being shown separately since it is not material in nature apart from investment made on Laboratory Equipments.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars with regard to Foreign Exchange Earnings and Outgo are as follows:

(₹ in Lakhs)

	2019-20	2018-19
Foreign Exchange earnings	17,848.93	19,393.96
Foreign Exchange Outgo	3,082.35	1448.19

For and behalf of the Board

**Ajay Kumar Mall**

Chairman & Managing Director

(DIN : 00470184)

# MANAGEMENT DISCUSSION AND ANALYSIS

Your Company has been supporting and promoting the business interests of its members and is united in the goal of protecting the health and safety of people worldwide. We share a personal and professional commitment to protect the safety and health of our employees, contractors, customers and the people of the communities in which we operate.

FY2019-20 has been a challenging year with several macro headwinds. Slow economic activity and Liquidity challenges impacted the overall demand scenario. During the year Government undertook initiatives like reduction of corporate tax rates, which could have positive impact in the long run.

Later part of the year also witnessed an unprecedented outbreak of Corona Virus sending global economies into tizzy, impacting supply chain as well as consumer sentiment. Complete lockdown of the country was unparalleled to any disruption experienced in the past several decades. It is feared that COVID-19 would leave a deep cut in economy and corporate financials. During the lockdown period the Company accorded paramount priority to Employee health and welfare and ensured that its commitment towards payment to the vendors and work force are duly met. Recognising that the welfare of partners, associates and employees were paramount, the levels of engagements were heightened and specific assistance provided to ensure smooth functioning. Effective deployment of IT and digital resources, seamlessly connecting employees, ensured effective continuity of operations even while working from home.

Currently there is uncertainty on pace of recovery, the Company is well prepared to face challenges and cater to the emerging needs of its customers. The impact of these disruptions on the Financials of the Company for FY 2019-20 is negligible. However, the Management expects short term challenges in the first half of FY 2020-21 and continues to pursue its long term growth strategy. With a robust Manufacturing base, strong brand affinity and a competent work force the management is confident to lead the recovery in a shorter period in post pandemic phase and strive to sustain profitable and industry leading growth.

The Company's focus has been on Technology and Innovation enabled capacity building, to convert the challenge of disruption into an opportunity. With the global pandemic situation, the Company recognised the Global demand of Medical PPEs and has scaled up manufacturing of essential PPE including face

masks and medical overalls. Simultaneous work on contemporary and emerging areas has helped the Company meet the needs of the consumer of today. Technology has been adopted across the organization with the objective of simplifying processes, induce analytics driven decision making to identify emerging trends and create maximum value for all stakeholders.

The pandemic has had a significant impact on the export sectors in the economy. Moreover, the consequences of the ongoing US-China tensions will have ramifications on supply chain networks and financial markets across the globe. The Global GDP growth rate was ravaged by Covid-19 pandemic and is projected to shrink by 3.2% in FY2020-21. On the domestic front, due to the global pandemic and subsequent nationwide lockdown, the GDP growth rate contracted to 4.2% for FY2019-20. The Industrial activity across sectors showed only a marginal improvement. Crude prices saw a significant fall in the latter half of the year.

The global personal protective equipment (PPE) market is projected to witness a CAGR of 8.6% and the industry is likely to expand to USD 67.6 billion by 2024. With the Global Pandemic and necessity for PPEs to contain it, the demand is expected to grow even higher. Coupled with the augmenting workplace safety concerns for employees, the use of protective clothing and equipment across several industries have grown exponentially. Significant growth in the demand for multipurpose equipment from a diverse range of industries has fuelled market growth over the years to come. Furthermore, numerous mandatory safety regulations imposed by international organizations such as NFPA, OSHA and NIOSH is expected to positively influence the market demand.

The Govt. of India had earlier estimated the Personal Protective Equipment market in India to grow at CAGR 14% by 2020. The recent COVID-19 crisis however has spawned a PPE kit industry in India worth nearly Rs. 7000 Crores within a time span of 1-2 months during the latter half of FY 2019-20. India has now become the second largest producer of medical isolation kits in the World producing over 4.5 Lakh PPE suits daily.

We are extremely enthusiastic about the opportunities in 2020 and beyond. We finished 2019 in a relatively strong position with our businesses delivering on our strategic priorities and generating positive momentum across the board. We are driving growth that is rooted in the fundamental business

model. Going forward, there is an increasing shift being witnessed towards the organised sector owing to brand and quality awareness. With wider choice, product innovation and warranty, being offered by organised players, customers are putting more focus on this segment. "Mallcom" enjoys a privileged position because of its high quality standard and strict adherence to time schedule at the most competitive prices over the decades.

### Financial Performance and Outlook

The financial Statements have been prepared in compliance with the requirements of the Companies Act, 2013 and Indian Accounting Standards (Ind-AS).

The Company has recorded a Standalone and Consolidated profit after tax of Rs. 1826.07 Lakhs and Rs. 1888.43 Lakhs respectively during the financial year 2019-2020 as against Rs. 1408.37 Lakhs and Rs. 1499.11 Lakhs during the financial year 2018-2019. The basic & diluted Standalone and Consolidated earnings per share are Rs. 29.26 and Rs. 30.26 respectively for financial year 2019-2020 as against the basic & diluted earnings per share of Rs. 22.57 and Rs. 24.02 for financial year 2018-2019.

### Opportunities and Threats

The Personal Protective Equipment Manufacturing industry thrives on safety regulations. The Occupational Safety and Health Administration (OSHA) has continued to implement an increasing number of regulations to protect workers. As a result, more workers in hazardous conditions must use personal protective equipment to prevent injury, which has and will continue to sustain demand for industry products and mitigate industry volatility. Demand from Medical, Construction and Industrial growth will drive growth for personal protective equipment and clothing over the five years to 2025.

As usual, your Company faces normal competition in all its businesses, from Indian as well as international companies. Mallcom's globally competitive cost positions and well crafted business strategies have enabled it to retain its market positions. Your Company strongly believes in the brand equity and its ability to provide its customers with innovative solutions. The SWOT analysis with respect to the company and its products is discussed below:

#### Strengths

- Mallcom (India) Ltd. (MIL) is one of the few established manufacturer and exporter of "Personal Protective Equipments" with unique advantage of offering

maximum range of products vis-à-vis its competitors from India;

- MIL has a long track record in the Personal Protective Equipment (PPE) Category;
- MIL has been a rapidly growing and profit-making organization and a recognized Trading House, with quality standard confirming to ISO 9001 : 2008 and SA 8000:2008 Certified Company;
- MIL has been assigned Long Term Debt Rating of ICRA BBB+ for its Working Capital Bank Borrowings by ICRA Limited;
- MIL is a debt free company complying with key ratios benchmarks confirming the solid financials and liquidity position of the company providing ample opportunity for the company to leverage on its fundamentals and market reputation to expand its scale of operations to meet future demands;
- Usage of Personal Protective Equipment (PPE) being mandatory at most of the work places both in India and abroad and rising awareness for the work safety coupled with advancement of work culture/ technology will result in consistent growth in demand for company's products;
- The Company has a first mover's advantage and strong Brand value for its products range and marketing in domestic market. Quality of Indian fabrics and the growth momentum in India, despite rising inflation, may be taken as an opportunity for Indian exports.

#### Challenges

- Strategies like product innovations or modifications require investments. These strategies entail higher costs and higher risks.
- The nature of business the company is in has been traditionally a low margin business with possibility of moderate scale of operations and lower cash accruals.
- The weak operating profitability margins are sensitive to incentives provided to the Sector by GOI and its agencies;
- High working capital intensity of the business adversely affecting the liquidity position and profitability of the company;

#### Risks and Concerns

- The Company's results are affected by competitive conditions and customer preferences.

- High manpower costs, stringent labour laws and short age of skilled workers are the major risk concern.
- The operations are subject to risk arising from fluctuations in exchange rates with reference to currencies in which the company transacts.

**Internal Control Systems and Adequacy**

In order to ensure orderly and efficient conduct of business, the Company management has put in place necessary internal control systems commensurate with its size and nature of business. The internal control systems provide for well documented policies/guidelines and authorization and approval procedures. Company through its own Internal Audit Department carries out periodical Audits at all locations and functions. Some of the salient features of the Internal Control systems in vogue are:

- (i) A robust ERP system connecting all plants, sales offices and Head Office to enable seamless data inflow. This is constantly reviewed from Internal Control stand point.
- (ii) Preparation of annual budget for operations and services and monitoring the same against the actual at periodic intervals.
- (iii) All assets are properly recorded and system put in place to safeguard against any losses or unauthorized use or disposal.
- (iv) Periodic physical verification of fixed assets and all inventories.
- (v) Observations arising out of the Internal Audit are periodically reviewed at the Audit Committee meeting and follow up action taken.
- (vi) Periodic Presentations made to the Audit Committee on various operations and financial risks faced by the Company and action proposed to mitigate such risks

**Human Resources/ Industrial Relations**

Your Company considers its brands and its people strength as its major assets. Mallcom HR structure has been designed to support the business in achieving sustainable growth and also groom the employees' talents considering the future requirements. Mallcom has a formulated uniform HR Policies for all employees/ workers to define the HR functions and to make Mallcom such a place or institution where the people working has defined role and responsibilities with a sense of belongingness amongst them. Further it has created platforms for recognizing and motivating employees for the good work they do in the organization.

The Company has established listening and feedback systems from employees through usage of 360 degree feedback for leadership team. Such feedbacks help the company to have a collaborative, open and transparent culture. During the year under review, the company has focused on motivation and health training programs.

We maintained cordial and harmonious Industrial relations in all our manufacturing units. Several HR and industrial relations initiatives implemented by the Company have significantly helped in improving the work culture, enhancing productivity and enriching the quality of life of the workforce.

For and on behalf of the Board

**Ajay Kumar Mall**

Chairman & Managing Director  
DIN:00470184

Date: 31<sup>st</sup> July, 2020  
Place: Kolkata

## FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

### Highlights of Financial Performance :

(₹ in Lakhs)

Sl. No.	Particulars	Standalone		Consolidated	
		2019-20	2018-19	2019-20	2018-19
1.	Net Sales/ Income from Operations	28,769.09	30,072.74	28,769.09	30,078.76
2.	Other Income from Operations	45.86	21.31	45.86	18.73
3.	Total Income from Operations (1+2)	28,814.95	30,094.05	28,814.95	30,097.49
4.	Total Expenditure	26,507.62	27,919.62	26,437.70	27,828.50
5.	Operating Profit	3,338.32	3,032.04	3,197.22	3,228.88
6.	Operating Margin	11.60%	10.08%	11.11%	10.74%
7.	Depreciation	468.78	467.11	563.30	565.17
8.	Provision for Tax	634.25	766.06	653.05	782.37
9.	Profit/Loss after Tax	1,826.07	1,408.37	1,888.43	1,499.11

### Cash flow analysis:

(₹ in Lakhs)

Sl. No.	Particulars	Standalone		Consolidated	
		2019-20	2018-19	2019-20	2018-19
<b>Source of Cash</b>					
1.	Cash flow from Operations	3,179.99	2,959.08	2,773.44	3,171.07
2.	Non-Operating Cash flows	(459.91)	9.84	165.76	5.04
3.	Increase/ (Decrease) in Cash & Cash Equivalent	229.32	(106.50)	(233.34)	(100.77)
<b>Total</b>		<b>2,949.40</b>	<b>2,862.42</b>	<b>3,172.54</b>	<b>3,075.35</b>
<b>Use of Cash</b>					
1.	Net Capital Expenditure	538.28	502.60	(669.00)	853.31
2.	Financial Expenses	256.83	333.37	(256.67)	336.20
3.	Dividend (Including Dividend Tax)	150.45	150.45	150.45	150.45
4.	Direct Taxes Paid	634.25	566.36	653.05	672.68
5.	Increase/ (Decrease) in Non-Current Investments	1,580.34	545.18	291.00	520.18
6.	Repayment of borrowings	1,293.91	(35.60)	1,293.91	179.45
7.	Net Change in Working Capital	(1,504.66)	800.06	1,709.80	363.08
<b>Total</b>		<b>2,949.40</b>	<b>2,862.42</b>	<b>3,172.54</b>	<b>3,075.35</b>

### CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, expectations or forecast may be forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

# REPORT ON CORPORATE GOVERNANCE

## THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Our Corporate Governance philosophy is aimed at creating and nurturing a valuable bond with stakeholders to maximise stakeholders' value. Your Company considers Corporate Governance a pre-requisites for meeting the needs and aspirations of its shareholders and other stakeholders in the Company and firmly believes that the same could be achieved by maintaining transparency in its dealing, creating robust policies and practices for key process and systems with clear accountability, integrity, transparent governance practices and the highest standards of regulatory compliances. Mallcom (India) Ltd. aspires to reach the highest standards of Corporate Governance, while emphasising on transparency, creating a sustainable culture and setting industry-leading benchmarks.

The Company has set itself the objective of expanding its capacities and becoming globally competitive in its business. As a part of its growth strategy, the Company believes in adopting the 'best practices' that are followed in the area of Corporate Governance across various geographies. The Company emphasizes the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. The Board considers itself as a trustee of its shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth. In addition to compliance with regulatory requirements, the Company endeavours to ensure that highest standards of ethical and responsible conduct are met throughout the organisation.

## BOARD OF DIRECTORS

The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite power, authorities and duties. The Board has an appropriate mix of vast knowledge, wisdom and varied industry experience to guide the Company in achieving its objectives in a sustainable manner.

The Board of Directors has an optimum combination of Executive and Non-Executive Directors with One Woman Director and fifty per cent of the Board of Directors comprises of Non-Executive and Independent Directors. The Chairperson of the Board is an Executive Director. The Board meets at least 4 (Four) times a year and more if Company needs merit additional oversight and guidance. During the Financial Year 2019-20, the time gap between any two Board Meetings did not exceed 120 (One Hundred and Twenty) days. The Board of Directors periodically reviews compliance reports pertaining to all laws applicable to the Company. All statutory and other matters of significance including information as mentioned in Part A of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are informed to the Board to enable it to discharge its responsibility of strategic supervision of the Company.

## COMPOSITION AND CATEGORY OF DIRECTORS

As at 31st March, 2020, the composition of the Board of Directors of the Company, their attendance at Board Meetings/Annual General Meeting held during the year 2019-20 and the number of Directorships and Committee Chairmanships/Memberships held by them in other Companies are given herein below:

Name of Director	Category of Directorship	No of Board Meetings		Attendance at the last AGM held on 19.09.2019	No. of Directorship held in other Companies	No. of other Committee		No. of Shares and Convertible instruments by Non-Executive Directors
		Held	Attended			Members	Chairman	
Mr. Ajay Kumar Mall (DIN : 00470184)	Managing Director	4	4	Yes	Nil	Nil	Nil	NA
Mr. Giriraj Kumar Mall (DIN : 01043022)	Non-Executive, Non-Independent Director	4	4	Yes	Nil	Nil	Nil	48,823
Mr. Ravindra Pratap Singh (DIN : 00240910)	Non-Executive, Independent Director	4	3	Yes	Nil	Nil	Nil	Nil
Dr. Barsha Khattry (DIN : 01974874)	Non-Executive, Independent Director	4	4	Yes	Nil	Nil	Nil	Nil

- For the purpose of considering the limit of the number of directorship in the other companies, only listed public companies are included and all other companies including unlisted public company, private limited companies, foreign companies and companies under section 8 of the companies act, 2013 have been excluded.
- For the purpose of considering the limit of the number of chairmanship/membership in committees of other companies only listed public companies are included and all other companies including unlisted public Company, private limited companies, foreign Companies and companies under section 8 of the Companies Act, 2013 have been excluded.
- Only Audit Committee and Stakeholders Relationship Committee of the Listed Public Company have been considered for the purpose of ascertaining number of membership & Chairmanship of the Committee.

#### **NUMBER OF BOARD MEETINGS HELD AND THE DATES ON WHICH HELD**

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board businesses. The Board met four (4) times during the financial year 2019-20 i.e. on 25th May, 2019, 13th August, 2019, 12th November, 2019 and 10th February, 2020. The maximum interval between any two meetings was well within the maximum allowed time gap of 120 days. Directors attending the meeting actively participated in the deliberations at these meetings.

#### **DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE**

Mr. Ajay Kumar Mall, Chairman and Managing Director on the Board of Directors is brother of Mr. Giriraj Kumar Mall, Non-Executive Non-Independent Director.

#### **INFORMATION PLACED BEFORE THE BOARD OF DIRECTORS**

The Board has unrestricted access to all Company-related information. In addition to matters statutorily requiring approval of the Board, all major items relating to mobilization of resources, capital expenditure, investments, acquisitions, technology adoption and risk management are discussed in the Board. All information prescribed under the Corporate Governance Code is placed before the Board of Directors. All the items on the Agenda are accompanied by notes giving comprehensive information on the related subject and for certain matters such as financial/business plans, financial results detailed presentations are made. The agenda for Board meeting with relevant notes are sent in advance separately to each Director to enable the Board to take informed decisions.

#### **COMPLIANCE**

The Board reviews compliance reports of all laws applicable to the Company, presented by Managing Director at its meetings.

#### **INDEPENDENT DIRECTOR**

The Independent Directors play an important role in deliberations and decision making at the Board Meeting and bring to the Company wide experiences in their respective fields. They also contribute in significant measure to Board Committees. The independent role vis-a-vis the Company means they have a special contribution to make in situations where they add broader perspective by ensuring that the interests of all stakeholders are kept in acceptable balance and in providing an object view in instances where potential conflicts may arise between shareholders.

All Independent Directors make annual disclosure of their Independence to the Company. None of the Independent Directors has any material pecuniary relationship or transactions with the Company or its subsidiaries, apart from receiving sitting fee as an Independent Director.

#### **DETAILS OF FAMILIARISATION PROGRAMMES IMPARTED TO INDEPENDENT DIRECTORS IS DISCLOSED**

All Independent Directors are familiarized with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. from time to time. The Company makes consistent efforts to acquaint the Board with the overall business performance covering all Business verticals, by way of presenting specific performance of each Plant, Product Category and Corporate Function from time to time. The entire Board including Independent Directors has access to Product Heads/ Factory Heads and other commercial/ technical staff, wherever required for informed decision making. Detailed agenda are sent well in advance to all the Directors in order for the Board to perform its function and fulfill its role effectively. The details regarding Independent Directors' Familiarisation Programmes are given under the "Codes & Policies" section on the website of the Company [www.mallcom.in](http://www.mallcom.in).

#### **SKILLS/ EXPERTISE/ COMPETENCE OF THE BOARD OF DIRECTORS INCLUDING THE AREAS AS IDENTIFIED BY THE BOARD IN THE CONTEXT OF THE COMPANY'S BUSINESS**

The Company is a Personal Protective Equipment (PPE) manufacturer and exporter. The individual Members of its Board of Directors brings in knowledge and experience from a variety of sectors, demonstrating breadth and depth of management and leadership experience in the following competence areas:

- Financial and business acumen;
- Guiding and setting the pace for Company's Operations and future development by aiding implementation of best systems and processes;
- Building effective Sales & Marketing strategies, Corporate Branding and Advertising functions;
- Overseeing the development and implementation of Risk Management/ Governance, risk and compliance (GRC) tools;

- Management and strategy of the Information Technology function; and
- Human Resources Management.

The Nomination and Remuneration Policy of Directors, KMPs and Other Employees of the Company sets out the criteria which serve as guidelines in considering potential nominees to the Board of Directors to ensure the continuance of a dynamic and forward-thinking Board.

Expertise /Skills of Directors:

Sr. No.	Name of Director	Expertise/ Skill
1	Mr. Ajay Kumar Mall	Strategic Marketing, Business development, Finance and allied fields, standardization of systems and processes across the organization,
2	Mr. Giriraj Kumar Mall	Strategic Marketing, Brand Development, IT reforms, Technology matters and Business Administration
3	Dr. Barsha Khattry	Corporate Advisory, Economics, Finance and allied fields.
4	Mr. R.P. Singh	Corporate Advisory, Finance and allied fields.

### **CONFIRMATION THAT IN THE OPINION OF THE BOARD, THE INDEPENDENT DIRECTORS FULFILL THE CONDITIONS SPECIFIED IN THE SEBI REGULATIONS AND ARE INDEPENDENT OF THE MANAGEMENT**

Based on the declaration submitted by the Independent Directors of the Company provided at the beginning of the Financial Year 2020-21, the Board hereby certify that all the Independent Directors appointed by the Company fulfill the conditions specified in these Regulations and are independent of the management.

### **MEETING OF INDEPENDENT DIRECTOR**

The Independent Directors of the Board met on February 11, 2020, without the presence of the Non-Independent Directors and members of the Management, inter alia to evaluate:

1. Performance of Non-Independent Directors, the Board as a whole including its Committees
2. Performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
3. The quality, quantity and timeliness of flow of information between the Company Management and the Board.

All Independent Directors were present at the meeting.

### **BOARD EVALUATION**

During the year, the Board adopted a formal mechanism for evaluating its performance and effectiveness as well as that of its Committees and individual Directors, including the Chairman of the Board. For Board and its Committees, the

exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board and committees, experience and competencies, performance of specific duties and obligations, governance issues etc. In case of evaluation of the individual Directors, one to one meeting of each Director with the Chairman of the Board and the Chairman of the Nomination and Remuneration Committee is held. The Directors were satisfied with the evaluation results, which reflected the overall engagement and effectiveness of the Board and its Committees.

### **CODE OF CONDUCT**

The Company has formulated a Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons to deter the insider trading in the securities of the Company based on the unpublished price sensitive information. The Code envisages procedures to be followed and disclosures to be made while dealing in the securities of the Company. The Policy is available on the website of Company under 'Codes & Policies' section and can be accessed at [www.mallcom.in](http://www.mallcom.in). All Board members, Key Managerial Personnel and Senior Management Personnel have affirmed compliance with the code for the year ended on 31st March, 2020. Declaration to this effect signed by the Managing Director for the year ended on March 31, 2020 has been included in this report.

### **AUDIT COMMITTEE**

The Board of the Company has constituted a qualified and Independent Audit Committee in line with the provisions of SEBI (LODR) Regulations, 2015 read with Companies Act, 2013. Committee acts as a link between Auditors and Board. The



Committee is vested with following powers and terms of references as prescribed under relevant provisions of the Companies Act, 2013 and SEBI (LODR) Regulation, 2015:

a) Brief description of terms of reference

The Audit Committee of the company is entrusted with the responsibility to supervise the company internal control and financial reporting process inter alia, performs as follows:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to Statutory Auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the Annual Financial Statements before submission to the Board for approval, with particular reference to:-
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of section 134 of the Companies Act, 2013;
  - b) Changes, if any, in accounting policies and practices and reasons for the same;
  - c) Major accounting entries involving estimates based on the exercise of judgment by the management;
  - d) Significant adjustments made in the Financial Statements arising out of Audit findings;
  - e) Compliance with listing and other legal requirements relating to Financial Statements;
  - f) Disclosure of any related party transactions;
  - g) Qualifications, if any, in the draft Audit Report.
  - h) The going concern assumption.
5. Reviewing and monitoring with the management, the quarterly Financial Statements before submission to the Board for approval.
6. Approval of any subsequent modification of transactions of the company with related parties.
7. Scrutiny of inter-corporate loans and investments.
8. Valuation of undertakings or assets of the listed entity, wherever it is necessary.
9. Evaluation of internal financial controls and risk management systems.
10. Reviewing with the management performance of Statutory and Internal Auditors, adequacy of the internal control systems.
11. Discussing with Internal Auditors any significant findings and following up thereon.
12. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the same to the Board.
13. Discussing with Statutory Auditors before the Audit commences about the nature and scope of Audit as well as post-audit discussion to ascertain any area of concern.
14. To look into the reasons for substantial defaults in the payment to the shareholders, (in case of non-payment of declared dividends) suppliers and other creditors, if any.
15. To review the functioning of the Whistle Blower Mechanism, in case the same exists.
16. Carrying out any other functions as is mentioned in the terms of reference of the Audit Committee.

In addition to the above, the Audit Committee also reviews the following:-

1. Management Discussion and Analysis of financial condition and results of operations.
2. Statement of significant related party transactions (as defined by the audit committee), submitted by the management.
3. Management letters/letters of internal control weaknesses issued by the Statutory Auditors.
4. Internal Audit Reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
6. The quarterly/half yearly/annual financial performance of the Company before being presented to the Board.
7. Achievement of the actual financial results vis-à-vis the budget of the Company.
8. The Statement of uses/application of funds raised through preferential issue.

**b) Composition, Meeting and Attendance:**

Audit Committee's composition and terms of reference are in

compliance with the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015. During the year under review, the Audit Committee met four times during the financial year 2019-20 i.e, on 25th May, 2019, 13th August, 2019, 12th November, 2019 and 10th February, 2020. The gap between the two meetings

was not more than 120 days. The meeting of Audit Committee is also attended by the Executives, including the Chief Financial Officer, Statutory Auditors and Internal Auditors as it considers their presence to be appropriate. The Company Secretary acts as the Secretary of the Committee.

The details of member's attendance at the Audit Committee Meetings during the financial year 2019-20 are as under:

Sl. No.	Name of the Member	Position	Category	No. Of Meetings	
				Held	Attended
1.	Mr. Ravindra Pratap Singh (DIN:00240910)	Chairman	Non-Executive, Independent Director	4	4
2.	Mr. Giriraj Kumar Mall (DIN:01043022)	Member	Non-Executive, Non- Independent Director	4	4
3.	Dr. Barsha Khattry (DIN: 01974874)	Member	Non-Executive, Independent Director	4	4

#### NOMINATION AND REMUNERATION COMMITTEE

The Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, as amended from time to time.

##### a) Terms of Reference

1. To identify persons who are qualified to become Director and who may be appointed in Senior Management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal.
2. To formulate the criteria for determining qualifications, positive attributes and independence of a Directors, and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

3. To formulate the criteria for evaluation of Independent Directors and the Board.
4. To devise a policy on Board diversity.
5. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.

The Nomination and Remuneration Committee's composition and terms of reference are in compliance with the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year under review, the Committee met on 25th May, 2019 and the Company Secretary acts as the Secretary of the Committee.

The details of member's attendance at the Nomination & Remuneration Committee held during the financial year 2019-20 are as follows:

Sl. No.	Name Of the Member	Position	Category	No. Of Meetings	
				Held	Attended
1.	Dr. Barsha Khattry (DIN: 01974874)	Chairperson	Non-Executive, Independent Director	1	1
2.	Mr. Ravindra Pratap Singh (DIN: 00240910)	Member	Non-Executive, Independent Director	1	1
3.	Mr. Giriraj Kumar Mall (DIN:01043022)	Member	Non-Executive, Non- Independent Director	1	1

### Remuneration Policy

Pursuant to provision of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 the Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, has formulated a Remuneration Policy for Directors and Senior Management. All decisions relating to the remuneration of the Directors were taken by the Board on recommendation of nomination and remuneration committee and in accordance with the Shareholder's approval wherever necessary. The remuneration policy of the Company is devised in such a manner as to remain competitive in the industry to attract and retain talent and appropriately reward employees on their contributions. The Policy is available on the website of Company under 'Codes & Policies' section and can be accessed at [www.mallcom.in](http://www.mallcom.in).

### Remuneration of Executive Director

The Committee recommends to the Board, remuneration of Executive Directors subject to approval by the Members and such other authorities, as may be necessary. While recommending the remuneration, the Committee considers various factors such as qualifications, experience, expertise, position, leadership qualities, prevailing remuneration in the industry, volume of the Company's business and profits earned by it and the responsibilities taken by the director concerned. The remuneration are within the limits as prescribed under Section 197 and Schedule V of the Act and Rules made there under. Executive Directors are not paid sitting fees for attending the Meetings of the Board and its Committees thereon.

The details of remuneration paid to Executive Directors during the financial year 2019-20 are as:-

Name of Executive Director	Category	Salary (₹ in lakhs)	Perquisites	No. of Shares Held As On 31.03.2020
Mr. Ajay Kumar Mall [DIN:00470184]	Chairman & Managing Director	38.66	Nil	10,25,320

### Remuneration of Non Executive Director

The Non-Executive Directors receive sitting fees for attending meetings of the Board and its Committees and that the same does not exceed the maximum amount provided in Section 197(5) of the Companies Act, 2013 read with Rules 4 of The

Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Non-Executive Directors of the Company are not paid any other remuneration or commission. There is no other pecuniary relationship or transaction of Non-Executive Directors with the Company which has potential conflicts with the interest of the Company at large.

The details of remuneration, sitting fees and commission paid to each of the non-executive Director during the financial year 2019-20 are as follows:

Name of Non-Executive Director	Category	Sitting Fees	Commission	No. of Shares Held As On 31.03.2020
Mr. Ravindra Pratap Singh [DIN: 00240910]	Non-Executive, Independent Director	36,000	Nil	Nil
Dr. Barsha Khattry [DIN: 01974874]	Non-Executive, Independent Director	48,000	Nil	Nil
Mr. Giriraj Kumar Mall [DIN:01043022]	Non-Executive, Non - Independent Director	Nil	Nil	48,823

### CSR COMMITTEE

Pursuant to the requirement of Section 135 of the Companies Act, 2013 read with The Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted

Corporate Social Responsibility [CSR] Committee of Directors inter-alia, to oversees the Corporate Social Responsibility [CSR] and other related matters as referred by the Board of Directors and discharges the roles as prescribed under section 135 of the Companies Act, 2013.

**Terms of Reference:**

1. Formulation and ensuring compliance of CSR Policy;
2. Ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget;
3. Ensure compliance with the laws, rules and regulations

governing the CSR and periodically report to the Board of Directors.

During the year, the CSR Committee met on 25th May, 2019 to discharge its functions and the Company Secretary acts as the Secretary of the Committee.

The composition and attendance details of the members of the CSR Committee are given below:

Sl. No.	Name Of the Member	Position	Category	No. of Meetings	
				Held	Attended
1.	Mr. Giriraj Kumar Mall (DIN:01 043022)	Member	Non-Executive, Non- Independent Director	1	1
2.	Mr. Ajay Kumar Mall (DIN:004701 84)	Chairperson	Managing Director	1	1
3.	Dr. Barsha Khattry (DIN: 01 974874)	Member	Non-Executive, Independent Director	1	1

**STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, as amended from time to time.

**Terms of Reference:**

1. Consider, resolve and monitor Reprisal of investor's/shareholder's grievances related to transfer of securities, non-receipts of Annual Reports, non-receipts
2. Oversee the performance of the Company's Registrars And Share Transfer Agents.
3. Carry out any other function as is referred by the Board from time to time and/or enforced by any statutory notification/amendment or modification as may be applicable.
4. Perform such other functions as may be necessary or appropriate for the performance of its duties.

of declared dividend etc;

The composition of the Stakeholders' Relationship Committee is as under:

Sl. No.	Name Of the Member	Position	Category	No. of Meetings	
				Held	Attended
1.	Mr. Giriraj Kumar Mall (DIN:01 043022)	Chairperson	Non-Executive, Non- Independent Director	1	1
2.	Mr. Ajay Kumar Mall (DIN:004701 84)	Member	Managing Director	1	1
3.	Dr. Barsha Khattry (DIN: 01 974874)	Member	Non-Executive, Independent Director	1	1

During the year, the Stakeholders Relationship Committee met on 25th May, 2019 and the requisite quorum was present at the meeting. Company Secretary is designated as the "Compliance Officer" who oversees the redressal of the investor's grievances.

The Status of Investor Complaints as on March 31, 2020, as reported under the Listing Regulations are as under:

Received (In Nos.)	Resolved (In Nos.)	Pending At The End
Nil	Nil	Nil

All the requests for transfer of shares have been processed on time and there are no transfer pending for more than 15 days.

#### GENERAL BODY MEETINGS

The particulars of last three Annual General Meetings of the Company are provided as under. All the resolutions set out in the respective notices were passed by the shareholders with requisite majority.

Nature Of Meeting	Date And Time	Venue	Whether Special Resolution Passed or Not
Thirty-Fifth Annual General Meeting	19th September, 2019 at 12:05 p.m.	"Rabindra Tirtha" DG-17, DG Block (Newtown), Action Area I, Kolkata - 700 156	No
Thirty-Fourth Annual General Meeting	27th August, 2018 at 12:05 p.m.	"Rabindra Okakura Bhavan", Block - DD, 27/A/1, Sector - 1, DD Block, Salt Lake City, Kolkata - 700064	Yes 1. Re-appointment of Mr. Ravindra Pratap Singh (DIN 00240910) as an Independent Director for another consecutive term of 5 years. 2. Re-appointment of Dr. Barsha Khattry (DIN 01974874) as an Independent Director for another consecutive term of 5 years.
Thirty-third Annual General Meeting	29th August, 2017 at 12:00 p.m.	"Rabindra Okakura Bhavan", Block - DD, 27/A/1, Sector - 1, DD Block, Salt Lake City, Kolkata - 700064	No

#### SPECIAL RESOLUTION PASSED LAST YEAR THROUGH POSTAL BALLOT

Nil

#### PERSON WHO CONDUCTED THE POSTAL BALLOT EXERCISE

Not Applicable

#### SPECIAL RESOLUTION PROPOSED TO BE CONDUCTED THROUGH POSTAL BALLOT

No Resolution requiring Postal Ballot as required by the Companies (Passing of Resolution by Postal Ballot) Rules, 2011, has been placed for Shareholder's approval at this Annual General Meeting.

#### MEANS OF COMMUNICATION

1. Financial Results: The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchange immediately after they are approved by the Board alongwith limited review report or audit report as

applicable. These were published in Business Standard or Financial Express in English and Sukhabar in Bengali.

2. Website: These results are simultaneously posted on the website of the Company at [www.mallcom.in](http://www.mallcom.in) and also uploaded on the website of the Exchange where the Company is listed. The Company has not made any presentation to the institutional investors or to the analysts during the financial year.
3. Green environment: The Company's philosophy focuses on making the environment greener for the benefit of posterity. In this regard, Your Company requests its shareholders to register/update the e-mail ids for communication purpose thereby contributing to our environment.

#### GENERAL SHAREHOLDER'S INFORMATION

##### a) Annual General Meeting:

Day: Thursday

Date: 24th September, 2020

Time: 12.05 p.m.

Mode: Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)

The Companies registered office at EN-12, Sector-V, Salt Lake, Kolkata - 700091 will be considered as the venue for the purpose of this Annual General Meeting.

#### b) Financial year

The Financial year of the Company starts from 1st April of a year and ends on 31st March of the following year.

#### c) Dividend Payment:

Dividend, if declared, shall be paid within 30 days from the date of the Annual General Meeting. Dividend shall be remitted electronically i.e. through NECS, NEFT etc. wherever bank details of shareholders are available with the Company, and in other cases, through Demand Drafts, payable at par.

#### d) Dividend history for the last 5 years is as under:

Financial Year	Rate of Dividend (%)	Dividend Per Share (Rs.)	Total Dividend Amount (In Rs.)
2014-15	15	1.50	93,60,000
2015-16	20	2.00	1,24,80,000
2016-17	20	2.00	1,24,80,000
2017-18	20	2.00	1,24,80,000
2018-19	20	2.00	1,24,80,000

#### e) Electronic Clearing Service (ECS):

The Company has extended the ECS facility to shareholders to enable them to receive dividend through electronic Mode in their bank account. The Company encourages members to avail this facility as ECS provide adequate protection against fraudulent interception and encashment of Dividend warrants, apart from eliminating loss/damage of dividend warrants in transit and correspondence with the Company on revalidation/issuance of duplicate dividend warrants.

#### f) Listing of Equity Shares on Stock Exchange:

Equity shares of Mailcom (India) Ltd. are listed on BSE Limited. The annual listing fees and custodian fees have been paid to

the Stock Exchanges and Depositories within the stipulated due dates.

#### g) Stock code

BSE scrip code - 539400

ISIN - INE389C01015

#### h) Registrar & Share Transfer Agent

Niche Technologies Pvt. Ltd.

3A Auckland Place, 7th Floor, Room No. 7A & 7B,

Kolkata- 700017

Ph-[033] 2280 6616 / 17 / 18; Fax- [033] 2280 6619

#### i) Share Transfer System:

Trading in equity shares of the Company through recognized Stock Exchanges can be done only in dematerialized form. In terms of the amendment carried out during last Financial Year in Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 transfer of securities were to be carried out in dematerialized form only with effect from 1st April, 2019.

In compliance of the provisions of Listing Regulations, the share transfer system of the Company is audited every six months by a Practicing Company Secretary and a certificate to that effect is issued by him/her. In case of request for dematerialization of shares, confirmation of dematerialization is sent to the respective depository i.e. National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL), expeditiously.

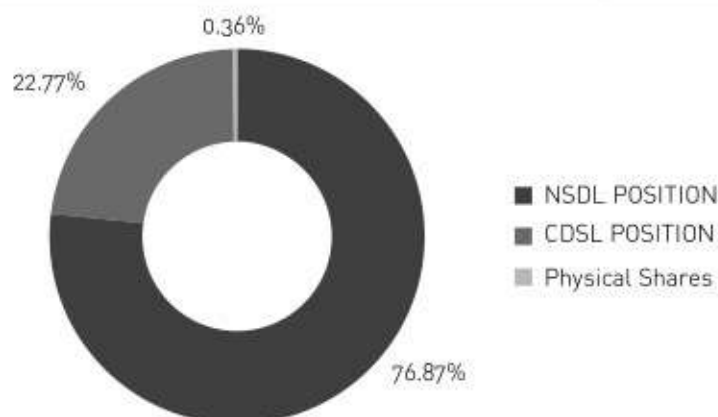
The Board of Directors of the Company have delegated the authority to approve the transfer of shares, transmission of shares, requests for deletion of name of the shareholder etc. to the Stakeholder's Relationship Committee. A summary of approved transfers, transmissions, deletion requests, etc. is placed before the Board of Directors from time to time as per the Listing Regulations. Transactions involving issue of share certificates, namely, issuance of duplicate share certificates, split, rematerialisation, consolidation and renewal of share certificates are approved by the Stakeholder's Relationship Committee.

The Company and its RTA are in compliance with the applicable requirements of the framework set forth by SEBI, vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018.

**j) Dematerialization of shares:**

Break up of shares in physical and demat form as on 31st March, 2020 is as follows:

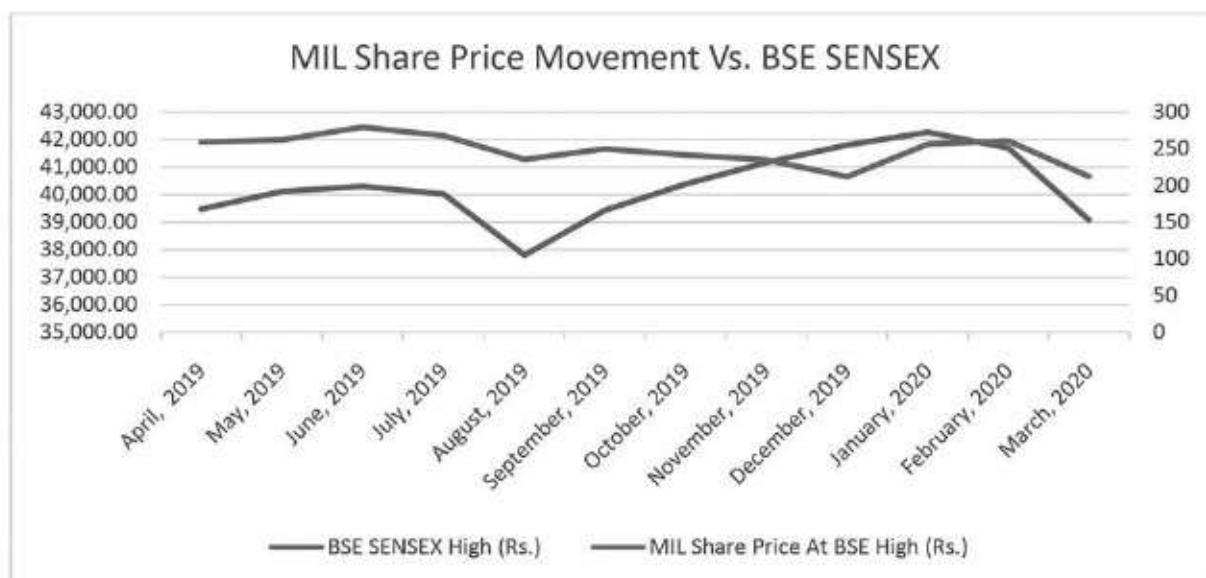
Particulars	No. of Shares	% of Shares
Dematerialised Shares	6217581	99.64
Physical Shares	22419	0.36
Total Issued Capital	6240000	100.00



**k) Comparison of the performance of market share price at BSE with BSE (Sensex):**

Monthly high & low prices of the equity shares of the Company at BSE and BSE (Sensex) during the Financial year 2019-20

Month	Share Price At BSE		BSE SENSEX	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2019	259.00	226.70	39,487.45	38,460.25
May, 2019	262.35	237.00	40,124.96	36,956.10
June, 2019	279.70	238.00	40,312.07	38,870.96
July, 2019	268.00	235.00	40,032.41	37,128.26
August, 2019	235.35	209.00	37,807.55	36,102.35
September, 2019	250.00	227.00	39,441.12	35,987.80
October, 2019	241.50	200.55	40,392.22	37,415.83
November, 2019	235.00	200.05	41,163.79	40,014.23
December, 2019	211.95	185.30	41,809.96	40,135.37
January, 2020	256.60	178.10	42,273.87	40,476.55
February, 2020	261.00	201.20	41,709.30	38,219.97
March, 2020	212.20	132.85	39,083.17	25,638.90



**l) In case the securities are suspended from trading, the directors report shall explain the reason thereof**

Not Applicable

**m) Distribution of Shares:**

The shareholding distribution of the equity shares as on March 31, 2020 is given below:-

Group Of Shares	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
1 to 500	1014	91.19	65,554	1.05
501 to 1000	42	3.77	34,911	0.56
1001 to 5000	33	2.97	75,787	1.22
5001 to 10000	6	0.54	46,420	0.74
10001 to 50000	7	0.63	2,56,148	4.11
50001 to 100000	3	0.27	2,65,300	4.25
100001 and above	7	0.63	54,95,880	88.07
<b>TOTAL</b>	<b>1112</b>	<b>100.00</b>	<b>62,40,000</b>	<b>100.00</b>

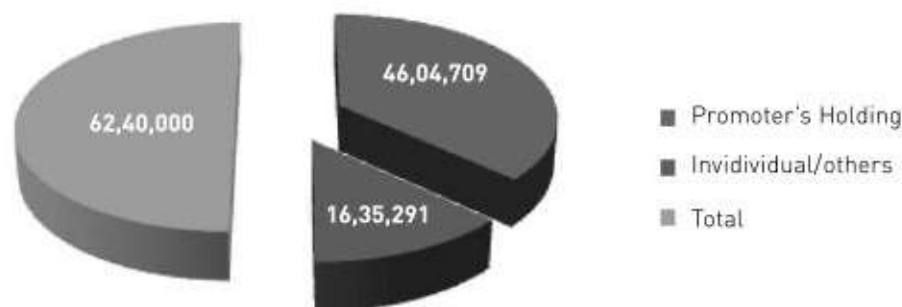
**n) Shareholding Pattern:**

The shareholding of different categories of the shareholders as on March 31, 2020 is given below:-

Category	No. of shares	Percentage
Promoter's Holding	46,04,709	73.79
Individual/others	16,35,291	26.21
<b>Total</b>	<b>62,40,000</b>	<b>100.00</b>



### Shareholding Pattern



**o) Outstanding GDRs /ADRs /Warrants or any Convertible instruments:**

Not Applicable.

**p) Commodity price risk or foreign exchange risk and hedging activities**

The Company is exposed to the risk of price fluctuation. The Company proactively manages these risks through forward booking and proactive vendor development practices. The Company's reputation for quality, products differentiation and service, coupled with existence of powerful brand image with robust marketing network mitigates the impact of price risk on finished goods.

**q) Plant Location:**

The Company's plants are located at:

- West Bengal (i) Plot No. 1665 and 1666 , Zone - 9, Kolkata Leather Complex, Bantala, 24 Parganas (South) - 743 502
- (ii) 34B and C, C.N. Roy Road, Kolkata - 700 039
- (iii) Plot No. 35 and 36, Sector - 1, FSEZ, Falta, 24 Parganas (South), West Bngal.
- Uttarakhand (iv) Plot No. 32, Sector - 3A, Integrated Industrial Estate, Haridwar - 249403, Uttarakhand

**r) Address for correspondence:**

Mallcom (India) Limited  
 EN-12, Sector-V, Salt Lake City, Kolkata- 700091  
 Tel: +91 33 40161000; Fax:+91 33 40161010  
 E-mail: E-mail: investors@mallcom.in  
 Website: www.mallcom.in

**s) Credit Rating**

During the year under review, the company has been assigned Long Term Rating of **BBB+ (stable)** by ICRA Limited.

**t) Audit of reconciliation of share capital:**

As stipulated by SEBI, a practising company secretary carries out the audit of reconciliation of share capital to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL) and the total issued and the paid up capital. The audit is carried out every quarter and the report there on is submitted to the stock exchange and is placed before the board of directors of the company. The audit, inter alia, confirm that the total issued and paid aggregate of the total number of shares in dematerialized form held with NSDL and CDSL and total number of shares in physical form.

**OTHER DISCLOSURES**

- i. During the year 2019-2020, the Company had no significant

- material significant transaction with its related parties, which is considered to have potential conflict with the interest of the Company at large.
- ii. The Company has not been penalized, nor have the stock exchanges, SEBI or any statutory authority imposed any strictures, during the last three years, on any matter relating to capital markets.
  - iii. The Company has an established Vigil Mechanism/ Whistleblower Policy to enable stakeholders (including Directors and employees) to report unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides adequate safeguards against victimization of Director(s)/employee(s) and have direct access to the Chairman of the Audit Committee in exceptional cases. The protected disclosures, if any reported under this Policy will be appropriately and expeditiously investigated by the Chairman. The Whistle Blower Policy is available on the Company's website [www.mallcom.in](http://www.mallcom.in) under the "Codes & Policies" section.
  - iv. The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - v. The Company has formulated policy for determining Material Subsidiary pursuant to provisions of listing regulations and the same has been disclosed on the company's website [www.mallcom.in](http://www.mallcom.in) under the "Codes & Policies" section.
  - vi. The policy on dealing with related party transactions is available on the website of the Company [www.mallcom.in](http://www.mallcom.in) under "Codes & Policies" section.
  - vii. On the basis of written representations/ declaration received from the Directors, as on 31st March, 2020, M/s Rakhi Dasgupta & Associates, Company Secretaries have issued a certificate, confirming that none of the Directors on Board of the Company has been debarred or disqualified from being appointed or continuing as Director of Companies by SEBI/ MCA or any such authority. The said certificate forms part of this report.
  - viii. The Company has followed all relevant Accounting Standards while preparing Financial Statements.
  - ix. The Company has an approved Risk Management Policy by the Board. Risk evaluation and management is an ongoing process within the organization and is periodically reviewed by the Board of Directors. The policy has been disclosed on the company's website [www.mallcom.in](http://www.mallcom.in) under the "Codes & Policies" section.
  - x. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor is detailed in Notes to the Consolidated Audited Financial Statements of the Company.
  - xi. The Company has zero tolerance towards sexual harassment at the workplace the company has in place the sexual harassment policy, duly approved by its board and has also formed committees called Internal Complaints Committee at corporate office and at all regional offices for prevention and prohibition of sexual harassment and redressal against complaints of sexual harassment of working women at the workplace as per Sexual Harassment of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013 read with Sexual Harassment of Women At Workplace (Prevention, Prohibition And Redressal) Rules, 2013. This Internal Complaints Committee has the power/ jurisdiction to deal with complaints of sexual harassment of working women as per the rules specified therein. All the employees (permanent, contractual, temporary, trainees) are covered under this policy. During the financial year 2019-20, no such complaints were received across the organisation.
- DISCRETIONARY REQUIREMENTS:**
- i. The Board: As the Chairman of the Company is an Executive Chairman, hence the provision on entitlement of chairperson's office at the expense of the Company in case of a Non-Executive Chairperson is not applicable.
  - ii. Shareholders' Rights: Quarterly financial statements are published in leading newspapers and uploaded on Company's website [www.mallcom.in](http://www.mallcom.in) and on.
  - iii. Modified option(s) in Audit Report: The Auditors of the company have issued an unmodified report on financial statements for FY 2019-20.

- iv. Separate posts of Chairperson and CEO: Presently, Mr. Ajay Kumar Mall is the Chairman and Managing Director of the Company. He is also the CEO of the Company.
- v. Reporting of Internal Auditor: The Company has appointed the Internal Auditors for conducting the internal audit who report to CFO and has direct access to the Audit Committee.

#### **COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS**

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub - regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **CEO/CFO CERTIFICATION**

The Chief Executive and Chief Financial Officer have provided Compliance Certificate to the Board in accordance with Regulation 17(8) read with Part B of Schedule II of the SEBI (LODR) Regulation, 2015 for the financial year ended March 31, 2020.

#### **CERTIFICATE ON CORPORATE GOVERNANCE**

In Compliance with the Regulation 34(3) and Schedule V of the SEBI (LODR), Regulations, 2015 a certificate from Practicing Company Secretary conforming compliance with the conditions of corporate governance is annexed to this report.

#### **OTHER USEFUL INFORMATION FOR SHAREHOLDERS**

##### **ECS Facility**

The Company provides facility of "Electronic Clearing Service" (ECS) for payment of dividend to its shareholders. ECS facility assists in quick remittance of dividend without possible loss/delay in postal transit. Shareholders holding shares in physical form are requested to provide details of their bank account for availing ECS facility. However, if the shares are held in dematerialized form, the ECS mandate has to be communicated to the respective Depository Participant (DP). Changes, if any, in the details furnished earlier may also be communicated to the Company or DP, as the case may be.

Pursuant to SEBI circular dated 20th April, 2018, the Company had in the year 2018 written to the shareholders holding shares

in physical mode requesting them to submit their PAN and Bank Account details for updation of their data in Company records. Those shareholders who are yet to respond to the Company's request in this regard are requested once again to take action in the matter at the earliest.

#### **Update Emails for receiving notice/ documents in e-mode**

The shareholders who have not registered their email addresses with the Company are requested to kindly register their email addresses with the Company in the Form annexed with the Notice of Annual General Meeting enabling the Company to better service shareholder correspondence through e-mode. The shareholders have also an option to register their email addresses with their Depository through Depository Participant.

In line with the Circular No. 14/2020 dated 8th April, 2020, Circular No.17/2020 dated 13th April, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated 5th May, 2020, your Company is sending the Notice calling the AGM along with the Annual Report to the shareholders in electronic mode only at their email addresses.

#### **Dematerialization of Shares**

Equity Shares of the Company are under compulsory demat trading segment. Considering the advantages of scrip less trading, members are advised to consider dematerialization of their shareholding so as to avoid inconvenience involved in the physical shares such as mutilation, possibility of loss/ misplacement, delay in transit etc. and also to ensure safe and speedy transaction in securities.

#### **Transfer / Transmission / Transposition of Shares**

The Securities and Exchange Board of India (SEBI) amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 informing that transfer of securities would not be processed unless the securities are held in the dematerialized form with a depository with effect from 1st April, 2019. Any investor who is desirous of transferring shares (which are held in physical form) after 1st April, 2019 can do so only after the shares are dematerialized. The said amendment is not applicable for transmission (i.e. transfer of title of shares by way of inheritance / succession) and transposition (i.e. re arrangement / interchanging of the order of name of shareholders) cases.

In terms of the relevant SEBI circulars, a copy of the PAN Card is to be furnished to the Company in the following cases:

- deletion of name of deceased shareholder(s) where shares are held jointly in the name of two or more shareholders;
- transmission of shares to the legal heirs where shares are held solely in the name of deceased shareholder;
- transposition of shares where order of names of shareholders are to be changed in the physical shares held jointly by two or more shareholders.

Investors, therefore, are requested to furnish the self-attested copy of PAN card, at the time of sending the physical share certificate(s) to the Company, for effecting any of the above

stated requests. Shareholders are also requested to keep record of their specimen signature before lodgement of shares with the Company to avoid probability of signature mismatch at a later date.

#### **Update Correspondence Address / Bank Mandate / Email Id**

To ensure all communications/ monetary benefits received promptly, all shareholders holding shares in physical form are requested to notify to the Company, change in their address / bank details / email Id instantly by written request under the signatures of sole/ first joint holder. Shareholder(s) holding shares in dematerialized form are requested to notify change in bank details / address / email Id directly with their respective DPs.

Place: Kolkata  
Date: 31st July, 2020

For and on behalf of the Board

**Ajay Kumar Mall**  
Chairman & Managing Director  
(DIN:00470184)

## DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

To,  
The Members  
Mallcom (India) Limited

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31 st March, 2020.

Date: July 31 st, 2020  
Place: Kolkata

**Ajay Kumar Mall**  
Chairman & Managing Director  
(DIN : 00470184)

## CERTIFICATION BY MANAGING DIRECTOR (MD) & CHIEF FINANCIAL OFFICER (CFO)

To,  
The Board of Directors  
Mallcom (India) Limited

We, Ajay Kumar Mall, Managing Director and Shyam Sundar Agrawal, Chief Financial Officer of Mallcom (India) Limited, certify that:

- a) We have reviewed the Financial Statements and the Cash Flow Statement for the financial year ended 31 st March, 2020 and to the best of our knowledge and belief, we state that –
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these Statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations;
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2020, which are fraudulent, illegal or violative of the Company's Code of Conduct;
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the Auditors and the Audit committee, and the steps have been taken or propose to take to rectify these deficiencies.
- d)
  - (i) There has not been any significant change in internal control over financial reporting during the year under reference;
  - (ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - (iii) We are not aware of any instances during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

**Ajay Kumar Mall**  
Managing Director  
(DIN : 00470184)

**Shyam Sundar Agrawal**  
Chief Financial Officer

Date: June 29th, 2020  
Place: Kolkata

# CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members,  
M/s. Mallcom (India) Ltd,  
CIN- L51109WB1983PLC037008

This is to certify that:

1. We have examined the compliance of conditions of corporate governance by M/s. Mallcom (India) Ltd (hereinafter referred "the Company"), for the year ended on 31 st March, 2020 as stipulated in relevant regulations of Securities and Exchange Board of India (Listing Obligations and Disclosures requirements) Regulations, 2015, with Stock exchange(s) and as stipulated in the guidelines on Corporate Governance (hereinafter referred "the Guidelines").
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company. We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of Certification and have been provided with such records, documents, certifications, etc. as had been required by us.
3. The Company has taken steps for reviewing of Compliances of Laws. An elaborate system is in place for management of currency as well as interest rate risk relating to Foreign Loan and steps had been taken in other areas of integration and alignment of Risk Management with corporate and operational objectives.
4. As per the records maintained by the company there is no investor grievances remaining unattended or pending more than 30 days.
5. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.
6. We further state that such compliance is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Rakhi Dasgupta & Associates**

Company Secretaries  
Firm Registration No. S2019WB692200

**Rakhi Dasgupta**

ACS No. 28739  
CP No. 20354  
UDIN : A028739B000416632

Place: Kolkata  
Dated: June 29th, 2020

## FIVE YEARS HIGHLIGHTS

### A. Profit & Loss Statement

(₹ In Lakhs)

Particulars	2019-20	2018-19	2017-18	2016-17	2015 - 16
Revenue from Operations	28,769.09	30,072.74	24,830.22	25,848.80	27,567.19
Other Income	45.86	21.31	80.76	252.44	1831
Total Revenue	28,814.95	30,072.74	24,910.98	26,101.24	27,585.50
EBIDTA	3,338.32	3,032.04	2,337.47	2,161.70	1,839.68
Depreciation & Amortizations	468.78	467.11	427.91	436.04	426.36
Exceptional & Extraordinary items	152.99	-	-	-	-
Finance Costs	256.23	390.5	413.08	330.16	221.59
Profit Before Tax	2,460.32	2,174.43	1,496.48	1,395.50	1,191.73
Tax Expenses	634.25	766.06	513.99	473.58	428.31
Net Profit	1,826.07	1,408.37	982.49	921.9	763.42
Cash Profit (in Rs.)	2,294.85	1,875.48	1,417.04	1,349.44	1,200.13
Basic and Diluted EPS (In Rs.)	29.26	22.57	15.79	14.89	12.23

### B. Balance Sheet

(₹ In Lakhs)

Particulars	2019-20	2018-19	2017-18	2016-17	2015 - 16
Net Block of Fixed Assets	2809.92	3046.33	3,083.19	2,923.18	2,866.50
Shareholders Fund/ Capital Employed	10443.02	8753.63	7,434.66	6,451.14	5,664.39

### C. Key Ratios

Particulars	2019-20	2018-19	2017-18	2016-17	2015 - 16
EBIDTA to Revenue from Operations (%)	11.60	10.08	9.41	8.36	6.67
Return on Equity (Net Worth) %	17.49	16.09	13.21	14.29	13.48

# INDEPENDENT AUDITOR'S REPORT

## to the Members of MALLCOM (INDIA) LIMITED

### Report on the Audit of the standalone financial statements

#### Opinion

1. We have audited the accompanying standalone financial statements of **MALLCOM (INDIA) LIMITED** (the 'Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 the accounting principles generally accepted in India including Indian Accounting Standards ('IndAS') specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31st March 2020, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

5. Key Audit Matter that require to be communicated in our report:

#### Basis for opinion

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

#### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, 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.

#### (i) Completeness, existence and accuracy of Revenue Recognition [Refer to Note 2.15 and 22 to the standalone financial statements]

Key Audit Matters	How the matter was addressed in our audit
<p>Revenue recognition /Adoption of New Accounting Standard Ind AS 115: Revenue from contracts with customers [Refer to Note 2.15 and 22 to the standalone financial statements]</p> <p>Revenue is one of the key profit drivers and is therefore susceptible to mis-statement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year. The Company manufactures and sells a number of products to its customers. The Company has adopted the new accounting standard Ind AS 115 as at April 1, 2018 and accordingly has reviewed its sales contracts for determining the principles for recognizing revenue in accordance with the new standard.</p>	<p>Principal audit procedures:</p> <p>a) Our audit procedures with regard to revenue recognition included testing controls, automated and manual, around dispatches/deliveries, inventory reconciliations and circularization of receivable balances, substantive testing for cut-offs and analytical review procedures.</p> <p>b) Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to the identification of performance obligations and timing of revenue recognition.</p> <p>c) Selected a sample of contracts and reassessed contractual terms to determine adherence to the requirements of the new accounting standard</p>

#### (ii) Existence and Valuation of Inventories [Refer note 2.10 and 8 of the Standalone Financial Statements]

Key Audit Matters	How the matter was addressed in our audit
<p>The Company's major part of inventory comprises Raw Material/ Accessories/ Work-in-Progress/ finished goods which are geographically spread over multiple locations such as factories producing different products. These inventories are also procured at many times as per customer specification and order requirement and customized as such. The whole inventory is counted by the Company on a cyclical basis and accordingly provision for</p>	<p>In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <p>a) Obtaining an understanding of and assessing the design, implementation and operating effectiveness of management's key internal controls relating to physical verification of inventories by the management and the internal auditors of the Company, identification of obsolete and</p>



Key Audit Matters	How the matter was addressed in our audit
<p>obsolescence of inventories is assessed and recognized by the management in the financial statements based on management estimation as at end of reporting period.</p> <p>The Company manufactures and sells goods which may be subject to changing consumer demands and product developments. Significant degree of judgment is thereby required to assess the net realizable value of the inventories and appropriate level of provisioning for items which may be ultimately sold below cost. Such judgment includes management's expectations for future sale volumes, inventory liquidation plans and future selling prices less cost to sell.</p> <p>Based on above, existence and valuation of inventories has been identified as a key audit matter.</p>	<p>slow moving inventories, inventories with low or negative gross margins, monitoring of inventory ageing and assessment of provisioning and of net realizable values.</p> <p>b) Assessing whether items in the inventory ageing report prepared by the management were classified within the appropriate ageing bracket;</p> <p>c) Performing a review of the provisions for inventories by examining movements in the balance during the current year and new provisions made for inventory balances as at 31 March 2020 during the current year to assess the historical accuracy of management's inventory provisioning process;</p> <p>d) Assessing, on a sample basis, the net realizable value of slow-moving and obsolete inventories and inventories with low or negative gross margins as calculated by management with reference to prices achieved and costs to sell after the financial year end.</p> <p>e) Attending cyclical inventory counts at various godown &amp; factories at regular intervals during the reporting period and evaluating the results of the cycle counts performed by the management throughout the year to assess management's estimation of the provisioning.</p>

**Information other than the financial statements and Auditor's Report thereon**

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the standalone financial statements**

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

8. In preparing the financial statements, management is responsible

for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. 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**

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing 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.

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

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

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

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

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence

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

e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. 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 standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in planning the scope of our audit work and in evaluating the results of our work; and to evaluate the effect of any identified misstatements in the standalone financial statements.

12. 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.

13. 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.

14. 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

15. As required by Section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.

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

17. Further to our comments in Annexure A, 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 purpose 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 standalone financial statements dealt with by this report are in agreement with the books of account;

d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;

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

f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report as per Annexure B expressed an unmodified opinion;

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

i) the Company has disclosed the impact of pending litigations on its financial position in the standalone financial statements;

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

iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020;

iv) the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

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

**For S. K. Singhania & Co.**  
Chartered Accountants,  
Firm Registration No. 302206E

**Rajesh Singhania**  
Partner  
Membership No. 52722

Place: Kolkata  
Dated: June 29th, 2020

## ANNEXURE A TO THE INDEPENDENT AUDITORS REPORT

**[Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date]**

In respect of its fixed assets:

1. a) The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- b) According to the information and explanations given to us, such fixed assets have been physically verified by the management during the year. In our opinion, the frequency of verification of the fixed assets by the management is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on verification.
- c) Based upon the audit procedure performed and according to the records of the company, the title deeds of all the immovable Properties are held in the name of the company.

In respect of its inventories:

2. a) The inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable.
- b) The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of accounts.

3. Since the company has not granted any loans, secured or unsecured, clause [a], [b] & [c] of section [iii] of Para 3 of the Order is not applicable.
4. Since the company does not have any loan, as such provisions of section 185 and 186 of the Act are not applicable.
5. Since the company has not accepted any deposits, section [v] of Para 3 of the Order is not applicable.
6. We have broadly reviewed the accounts and records maintained by the company pursuant to the Companies (Cost Records and Audit) Rules, 2014 read with Companies (Cost Records and Audit) Amendment Rules, 2014 specified by the Central Government under section 148 of the Act, and are of the opinion that prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
7. a) According to the information and explanations given to us, the company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Value Added Tax, Service Tax, Custom Duty, Excise Duty, Cess, Goods and Service Tax and other material statutory dues applicable to it.
- b) According to the information and explanations given to us, the details of disputed amount of various taxes are deposited by the Company are as follows :

(₹ in Lakhs)

Nature of the dues	Year	Demand	Tax Paid	Net Demand	From where the
Income Tax Act	2010-11	25.31	12.00	13.31	CIT (Appeal)
	2011-12	45.90	23.00	22.90	
	2012-13	24.36	16.00	8.36	
	2013-14	37.75	10.35	27.40	
	2014-15	16.03	12.25	3.78	
	2015-16	16.87	6.40	10.47	
Service Tax	-	53.16	23.66	29.50	Commissioner (Appeal)
VAT	-	296.24	-	296.24	West Bengal Taxation Tribunal (WBTT)
CST	-	36.93	3.31	33.62	Commissioner (Appeal)

8. In our opinion and according to the information and explanations given to us, the company has not defaulted in the repayment of loans or borrowings from Banks. The company did not have outstanding loans from Financial Institutions, Debenture Holders or Government.
9. Since the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year, section (ix) of Para 3 of the Order is not applicable.
10. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion and according to the information and explanations given to us, the company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by provisions of section 197 read with Schedule V to the Companies Act, 2013.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company, as such section (xii) of Para 3 of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Standalone

Ind As financial statements as required by the applicable Indian accounting standards.

14. According to the information and explanations given 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, clause 3(xiv) of the order is not applicable.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them, as such section (xv) of Para 3 of the Order is not applicable.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

**For S. K. Singhania & Co.**  
Chartered Accountants,  
Firm Registration No. 302206E

**Rajesh Singhania**  
Partner  
Membership No. 52722

Place: Kolkata  
Dated: June 29th, 2020

## ANNEXURE B TO THE AUDITORS' REPORT

**[Referred to in Paragraph 2(F) under the heading "Report on other legal and regulatory requirements" of our report of even date]**

Report on the Internal Financial Controls under Clause (i) of subsection 3 of Section 143 of the Companies Act, 2013 ("the Act").

We have audited the internal financial controls over financial reporting of MALLCOM (INDIA) LIMITED ("the Company") as of 31st March 2020 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate

to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

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

### Inherent Limitation of Internal Financial Controls over Financial Reporting

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

### Opinion

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

**For S. K. Singhania & Co.**  
Chartered Accountants.  
Firm Registration No. 302206E

**Rajesh Singhania**  
Partner  
Membership No. 52722

Place: Kolkata  
Dated: June 29th, 2020

**BALANCE SHEET as at 31st March 2020**

(₹ in Lakhs)

SL. NO.	Particulars	Note	As at 31st March, 2020	As at 31st March, 2019
I.	<b>ASSETS</b>			
	<b>Non-Current Assets</b>			
	Property, Plant and Equipment	4	2,779.44	2,996.12
	Capital work-in-progress	4a	293.76	42.82
	Intangible assets	5	30.48	50.21
	Financial Assets			
	Investments	6	590.06	590.06
	Loans	7	67.03	78.57
	Current Tax Asset (Net)		172.01	94.68
			<b>3,932.78</b>	<b>3,852.46</b>
	<b>Current Assets</b>			
	Inventories	8	7,565.92	6,768.32
	Financial Assets			
	Investments	9	2,125.19	544.85
	Trade Receivables	10	2,143.87	3,514.77
	Cash and Cash Equivalents	11	519.52	292.21
	Other Bank Balances	12	9.71	7.43
	Loans	7	20.85	29.48
	Other Current Assets	13	2,330.81	3,836.05
			<b>14,715.87</b>	<b>14,993.11</b>
	<b>Total Assets</b>		<b>18,648.65</b>	<b>18,845.57</b>
II.	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	Equity Share Capital	14	624.00	624.00
	Other Equity	15	9,819.02	8,139.89
			<b>10,443.02</b>	<b>8,763.89</b>
	Deferred Tax Liability (Net)	21	35.58	23.68
	<b>Liabilities</b>			
	<b>Current Liabilities</b>			
	Financial Liabilities			
	Borrowings	16	3,235.48	4,529.39
	Trade Payables	17	3,331.05	3,840.48
	Other Financial Liabilities	18	404.16	438.63
	Other Current Liabilities	19	1,186.77	1,206.02
	<b>Provisions</b>	20	12.59	43.48
			<b>8,205.63</b>	<b>10,081.68</b>
	<b>Total Equity and Liabilities</b>		<b>18,648.65</b>	<b>18,845.57</b>

**Significant accounting policies**

2

The accompanying notes are an integral part of the Financial Statements.

As per our Report of even date.

**For S. K. Singhania & Co.  
Chartered Accountants**

Firm Registration No. 302206E

**Rajesh Singhania**

Partner

Membership No. 52722

Place: Kolkata

 Date: 29<sup>th</sup> June, 2020

**For and on behalf of the Board**
**A.K.Mall**

 Chairman & Managing Director  
[DIN : 00470184]

**G.K.Mall**

 Director  
[DIN : 01 043022]

**S.S.Agrawal**

Chief Financial Officer

**S. Purakayastha**

 Company Secretary  
[ACS : 42302]

**STATEMENT OF PROFIT AND LOSS** for the year ended 31st March, 2020

(₹ in Lakhs)

Sl. NO.	Particulars	Note	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	<b>INCOME</b>			
I	Revenue from operations	22	28,769.09	30,072.74
II	Other Income	23	45.86	21.31
III	<b>TOTAL INCOME</b>		<b>28,814.95</b>	<b>30,094.05</b>
IV	<b>EXPENSES</b>			
	Cost of materials consumed	24	16,016.21	17,229.87
	Purchase of Traded Goods	25	1,858.91	2,003.73
	Changes in inventories of finished goods and work-in-progress	26	(295.53)	(349.26)
	Employee Benefits Expense	27	1,226.13	1,158.24
	Finance Costs	28	256.23	390.50
	Depreciation and Amortization Expense		468.78	467.11
	Manufacturing and Other Operational Expenses	29	6,648.71	6,654.89
	Other Expenses	29[a)	328.18	364.54
	<b>TOTAL EXPENSES</b>		<b>26,507.62</b>	<b>27,919.62</b>
V	<b>Profit before exceptional and extraordinary items and tax</b>		<b>2,307.33</b>	<b>2,174.43</b>
	Exceptional & Extraordinary Items		152.99	-
	<b>Profit before tax</b>		<b>2,460.32</b>	<b>2,174.43</b>
VI	<b>Tax Expense</b>	34		
	Current Tax		587.93	766.02
	Tax for Previous Years		35.61	-
	Deferred Tax (Credit)/Charge		10.71	0.04
VII	<b>PROFIT FOR THE PERIOD</b>		<b>1,826.07</b>	<b>1,408.37</b>
VIII	<b>OTHER COMPREHENSIVE INCOME</b>			
	Items that will not be Reclassified to Profit or Loss		-	-
	Income Tax relating to items that will not be Reclassified to Profit or Loss		-	-
	Fair value of Investment / Exchange difference on transaction of foreign operations	31 [b)	23.80	117.53
	Income Tax relating to these items		(6.00)	(31.96)
	Items that will not be reclassified to profit or loss (Re-measurement of post employment benefit obligations)		(19.09)	(14.96)
	Income Tax relating to these items		4.80	5.23
			3.51	75.84
IX	<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (Comprising Profit and Other Comprehensive Income for the Period)</b>		<b>1,829.58</b>	<b>1,484.21</b>
X	<b>Earning per equity share of ₹ 10 each (In ₹)</b>	36		
	Cash		36.95	30.43
	Basic and Diluted		29.26	22.57

**Significant Accounting Policies**

2

The accompanying notes are an integral part of the Financial Statements.

As per our Report of even date.

**For S. K. Singhania & Co.**  
Chartered Accountants  
Firm Registration No. 302206E

**Rajesh Singhania**  
Partner  
Membership No. 52722

Place: Kolkata  
Date: 29<sup>th</sup> June, 2020

**For and on behalf of the Board**

**A.K.Mall**  
Chairman & Managing Director  
(DIN : 00470184)

**G.K.Mall**  
Director  
(DIN : 01 043022)

**S.S.Agrawal**  
Chief Financial Officer

**S. Purakayastha**  
Company Secretary  
(ACS : 42302)

## CASH FLOW STATEMENT for the year ended 31st March, 2020

(₹ in Lakhs)

Sl. No.	Particulars	For the Year ended 31.03.2020		For the Year ended 31.03.2019	
A	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
	<b>Net Profit before Taxation and Extraordinary Items</b>		<b>2,301.15</b>		<b>2,174.43</b>
	Adjustments For:				
	Depreciation and Amortisation Expense	468.78		467.1	
	Balances Written Back (Net)	2.42		(5.99)	
	Interest Income	1.92		(3.85)	
	Profit on sale of Property, Plant & Equipment (Net)/Assets Written Off			(5.99)	
	Extraordinary item	152.99			
	Reameasurement gain of DBO/DBP	(3.51)			
	Finance Costs	256.23	878.83	333.4	784.65
	<b>Operating Profit before Working Capital Changes</b>		<b>3,179.99</b>		<b>2,959.08</b>
	Adjustments For:				
	(Increase)/Decrease in Trade and Other Receivables	2,896.30		(1,447.78)	
	(Increase)/Decrease in Inventories	(797.60)		(286.70)	
	Increase/(Decrease) in Trade and Other Payables and Provisions	(594.05)	1,504.66	934.42	(800.06)
	Cash Generated From Operations		<b>4,684.65</b>		<b>2,159.02</b>
	Direct Taxes Paid (Net of Refunds)		(634.25)		(566.36)
	<b>Net Cash from Operating Activities</b>		<b>4,050.40</b>		<b>1,592.66</b>
B	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
	Profit on sale of Property, Plant & Equipment (Net)/Assets Written Off			5.99	
	Purchase of Property, Plant and Equipments (Including Capital Work-in-Progress and Advances)	(538.23)		(502.60)	
	Purchases/Proceeds from sale of Investments	(1,580.34)		(545.18)	
	Interest Income	(1.92)	(2,120.49)	3.85	(1,037.94)
	<b>Net Cash from/ (Used in) Investing Activities</b>		<b>(2,120.49)</b>		<b>(1,037.94)</b>
C	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
	Proceeds/(Repayment) of Short Term Borrowings(net)	(1,293.91)		35.60	
	Interest and Financial Charges Paid	(256.23)		(333.38)	
	Dividend and Tax paid thereon (Interim, special and Final)	(150.45)	(1,700.59)	(150.45)	(448.23)
	<b>Net Cash from/ (Used in) Financing Activities</b>		<b>(1,700.59)</b>		<b>(448.23)</b>
	<b>Net Increase/(Decrease) in cash or cash equivalents (A+B+C)</b>		<b>229.32</b>		<b>106.50</b>
	<b>Cash or Cash equivalents at the beginning of the year</b>		<b>299.64</b>		<b>193.14</b>
	<b>Cash or Cash equivalents at the end of the year</b>		<b>529.23</b>		<b>299.64</b>

The accompanying notes are an integral part of the Financial Statements.

### 1 Reconciliation of Financial Liabilities arising from Financing Activities

Particulars	Opening Balance As at 1.4.19	Financing Cash Flow Changes		Non-Financing Cash Flow Changes		Closing Balance As at 31.03.2020
		Principal	Repayment	Fair Value Changes	Forex Changes	
Short Term Borrowings	4,529.39		1,293.91	-	-	3,235.48
Long term Borrowings	-	-	-	-	-	-

- Direct Taxes are treated as arising from operating activities and are not bifurcated between investing and financing activities"
- The above cash flow statement has been prepared under the indirect method set out in Ind AS-7 'Statement of Cash Flows'.
- For the purpose of Statement of Cash Flow, Cash and Cash Equivalents comprises the followings:

Particulars	As at 31.03.2020	As at 31.03.2019
Balances with Banks	519.52	292.21
Cash in Hand	9.71	7.43
<b>Total</b>	<b>529.23</b>	<b>299.64</b>

As per our Report of even date,  
**For S. K. Singhania & Co.**  
**Chartered Accountants**  
 Firm Registration No. 302206E

**Rajesh Singhania**  
 Partner  
 Membership No. 52722

Place: Kolkata  
 Date: 29<sup>th</sup> June, 2020

**For and on behalf of the Board**

**A.K.Mall**  
 Chairman & Managing Director  
 (DIN : 00470184)

**S.S.Agrawal**  
 Chief Financial Officer

**G.K.Mall**  
 Director  
 (DIN : 01043022)

**S. Purakayastha**  
 Company Secretary  
 (ACS : 42302)

**STATEMENT OF CHANGES IN EQUITY** for the year ended 31st March, 2020**A. EQUITY SHARE CAPITAL (Refer Note 14)**

Particulars	₹ in Lakhs	
	Numbers	Amount
Equity Shares of ₹ 10 each, issued, subscribed and fully paid-up		
As at 31.03.2020	6,240,000	624.00
As at 31.03.2019	6,240,000	624.00

**B. OTHER EQUITY (Refer Note 15)**  
For the year ended 31st March, 2020

Particulars	₹ in Lakhs				
	Reserves and Surplus				Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	
<b>Opening Balance as at 01.04.2019</b>	<b>401.49</b>	<b>511.00</b>	<b>7,125.00</b>	<b>102.41</b>	<b>8,139.89</b>
Profit for the current year	-	-	-	1,826.07	<b>1,826.07</b>
Comprehensive Income for the year	-	-	-	3.51	<b>3.51</b>
Total Comprehensive Income for the year	-	-	-	1,829.58	<b>1,829.58</b>
Transfer to/(from) Retained Earnings	-	-	1,600.00	[1,600.00]	-
Remeasurement of DBP/DBO/Investment	-	-	-	-	-
Dividend Paid	-	-	-	[124.80]	<b>(124.80)</b>
Dividend Tax Paid	-	-	-	[25.65]	<b>(25.65)</b>
<b>Closing Balance as at 31.03.2020</b>	<b>401.49</b>	<b>511.00</b>	<b>8,725.00</b>	<b>181.54</b>	<b>9,819.02</b>

## For the year ended 31st March, 2019

Particulars	₹ in Lakhs				
	Reserves and Surplus				Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	
<b>Opening Balance as at 01.04.2018</b>	<b>401.49</b>	<b>511.00</b>	<b>5,725.00</b>	<b>173.17</b>	<b>6,810.66</b>
Profit for the current year	-	-	-	1,408.37	-
Comprehensive Income for the year	-	-	-	75.84	-
Total Comprehensive Income for the year	-	-	-	1,484.21	1,484.21
Transfer to/(from) Retained Earnings	-	-	1,400.00	[1,400.00]	-
Remeasurement of DBP/DBO/Investment	-	-	-	[4.52]	[4.52]
Dividend	-	-	-	[124.80]	[124.80]
Dividend distribution Tax	-	-	-	[25.65]	[25.65]
<b>Closing Balance as at 31.03.2019</b>	<b>401.49</b>	<b>511.00</b>	<b>7,125.00</b>	<b>102.41</b>	<b>8,139.89</b>

As per our Report of even date.

**For S. K. Singhania & Co.**  
Chartered Accountants  
Firm Registration No. 302206E

**Rajesh Singhania**  
Partner  
Membership No. 52722

Place: Kolkata  
Date: 29<sup>th</sup> June, 2020

For and on behalf of the Board

**A.K.Mall**  
Chairman & Managing Director  
[DIN : 00470184]

**S.S.Agrawal**  
Chief Financial Officer

**G.K.Mall**  
Director  
[DIN : 01043022]

**S. Purakayastha**  
Company Secretary  
[ACS : 42302]



## Notes to Financial Statements for the year ended March 31, 2020

### 1. Corporate Information

Mallcom (India) Limited ("the Company") is a public limited company domiciled in India and is incorporated in the year 1983 under Companies Act applicable in India. Its shares are listed on one recognized stock exchange, the BSE Limited in India. The registered office of the company is located at EN-12, Sector-V, Salt Lake, Kolkata- 700091, India. The company is one of the established manufacturers – exporter of Personal Protective Equipments (PPE). It has a long track record in the Industrial Safety Products category. These financial statements are approved and adopted by the Board of Directors of the Company in their meeting dated 29th June, 2020.

### 2. Significant Accounting Policies

#### 2.1 Basis of Measurement

The Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivatives financial instruments
- Certain Financial assets measured at fair value (refer accounting policy regarding financial instruments)

The financial statements are prepared in Indian Rupees ("INR") and all values are rounded to the nearest Lakhs, except otherwise indicated.

#### 2.2 Current Vs 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:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle
- b) Held primarily for the purpose of trading
- c) Expected to be realised within twelve months after the reporting period, or
- d) 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:

- a) Expected to be settled in normal operating cycle
- b) Held primarily for the purpose of trading
- c) Due to be settled within twelve months after the reporting period, or
- d) 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. Based on the nature of

product and 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

### 2.3 Property, Plant and Equipment

Property, Plant and equipment are stated at cost less accumulated depreciation/amortization and impairment, if any. Freehold land not containing mineral reserve is disclosed at cost less impairment, if any. Cost comprises of purchase price and directly attributable cost of acquisition/bringing the asset to its working condition for its intended use (net of credit availed, if any) When significant parts of the plant and equipment are required to be replaced at intervals the company depreciates them separately based on their specific useful lives. Capital work in progress is carried at cost and directly attributable expenditure during construction period which is allocated to the property, plant and equipment on the completion of project.

Borrowing costs directly attributable to the acquisition/ construction of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

#### Depreciation and Amortisation

Depreciation is provided on written down value method over the estimated useful lives of the assets. Leasehold Property are depreciated over their expected lease terms. No depreciation is charged on Freehold land. Estimated useful lives of the assets are as follows:

Nature of Asset	Estimated Useful Lives
Plant & Machinery	13 Years
Building	28 Years
Electric Installations	13 Years
Mould & Dies	13 Years
Furniture & Fixtures	8 Years
Vehicles	6 Years
Office Equipment	3 Years
Computers	1 Years
Computer License	4 Years
Patent Right	4 Years

Gains or Losses arising from de-recognition of assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of Profit and loss when the asset is derecognized.

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

## 2.4 Intangible Assets

Intangible assets are stated at cost less accumulated amortization and impairment, if any. Cost comprises of purchase price and directly attributable cost of acquisition/bringing the asset to its working condition for its intended use (net of credit availed, if any) Amortization is provided on a written down value method over estimated useful lives.

The residual values, useful lives and method of depreciation of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

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

## 2.5 Derecognition of Tangible and Intangible assets

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal Gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

## 2.6 Leases

### Company as lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset, (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options

to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount [i.e. the higher of the fair value less cost to sell and the value-in-use] is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

### The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease. For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease. Company adopted Ind AS 116 on Leases w.e.f 1st April 2019.

## 2.7 Impairment of Non-Financial Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal & external factors. An impairment loss is recognized wherever the carrying amounts of an asset exceed its recoverable amount. The recoverable amount is the greater of the assets' net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. Reversal of impairment loss is recognized immediately as Income in the Statement of Profit and Loss.

## 2.8 Financial Assets and Financial Liabilities

Financial assets and financial liabilities (financial instruments) are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

The financial assets and financial liabilities are classified as current, if they are expected to be realised or settled within operating cycle of the Company or otherwise these are classified as non-current.

The classification of financial instruments whether to be measured at Amortised Cost, at Fair Value through Profit and Loss (FVTPL) or at Fair Value through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition

**i) Cash & Cash equivalents**

Cash & Cash equivalents consist of Cash on Hand, Cash at Bank, Term Deposits & Cheques in Hand. All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

**ii) Financial Assets and Financial Liabilities measured at amortised cost**

Financial Assets held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortised cost. The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

The effective interest rate is the rate that discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

**iii) Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognized directly in other comprehensive income

**iv)** For the purpose of para (ii) and (iii) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

**v) Financial Assets or Liabilities at Fair value through profit or loss**

Financial Instruments which does not meet the criteria of amortised cost or fair value through other comprehensive income are classified as Fair Value through Profit and loss. These are recognised at fair value and changes therein are recognized in the statement of profit and loss.

**vi) Derivative and Hedge Accounting**

The Company enters into derivative financial instruments such as foreign exchange forward, swap and option contracts to mitigate the risk of changes in foreign exchange rates in respect of financial instruments and forecasted cash flows denominated in certain foreign currencies. The Company uses hedging instruments which provide principles on the use of such financial derivatives consistent with the risk management strategy of the Company. The hedge instruments are designated and documented as hedges and effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis.

Any derivative that is either not designated as a hedge, or is so designated but is ineffective as per Ind AS 109 "Financial Instruments", is categorised as a financial asset, at fair value through profit or loss. Transaction costs attributable are also recognised in Statement of profit and loss. Changes in the fair value of the derivative hedging instrument designated as a fair value hedge are recognised in the Statement of profit and loss. Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised in other comprehensive income and presented within equity as cash flow hedging reserve to the extent that the hedge is effective. If the hedging instrument no longer meets

the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. Any gain or loss recognised in other comprehensive income and accumulated in equity till that time remains and thereafter to the extent hedge accounting being discontinued is recognised in Statement of profit and loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the Statement of profit and loss.

#### vii) Impairment of financial assets

A financial asset is assessed for impairment at each balance sheet date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

The Company measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables or contract assets that result in relation to revenue from contracts with customers, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

#### viii) Derecognition of financial instruments

The Company derecognizes a financial asset or a Company of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognised in statement of profit and loss.

On derecognition of assets measured at Fair Value through Other Comprehensive Income FVTOCI, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognised

and the consideration paid and payable is recognized in Statement of Profit and Loss

## 2.9 Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investment. All other investments are classified as long term investments. Current Investments are carried at lower of cost and fair value determined on individual investment basis. Long-terms investments are carried at cost. A provision of diminution is made to recognize a decline, other than temporary, in the value of long-term investments

## 2.10 Inventories

Inventories are valued at lower of cost or net realisable value. Cost of inventories is ascertained on 'FIFO' basis. Materials and other supplies held for use in the production of inventories are not written down below cost if the related finished products are expected to be sold at or above cost.

### i) Raw Materials, Stores and spares

These are valued at the lower of cost and estimated net realizable value, after providing for cost of obsolescence and other anticipated losses, wherever, considered necessary.

### ii) Work-in-progress and Finished Goods

These include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on First in First out (FIFO) basis.

## 2.11 Foreign Currency Transaction

Foreign currency transactions are recorded in the reporting currency prevailing at the date of the transaction. Realized gains/ losses on foreign exchange transactions during the year are recognized in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currency are translated at the year end rates and resultant gains/losses from foreign exchange translations are recognized in the Statement of Profit and loss.

Forward Exchange Contracts not intended for trading or speculation purposes.

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense for the year.

## 2.12 Equity Share Capital

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium.

Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects

## 2.13 Provisions & Contingent Liabilities

Provisions are recognized when an enterprise has a present obligation as a result of past event that probably requires an outflow of resources to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. They are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are not provided for and are disclosed by way of notes to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

Contingent assets are not recognised but disclosed in the financial statement by way of notes to accounts when an inflow of economic benefits is probable.

## 2.14 Employee Benefits

### i) Short Term Employee Benefits

Short term employee benefits, such as salaries, wages, incentives etc. are recognized as expenses at actual amounts, in the Statement of Profit and Loss of the year in which the related services are rendered. Leave not availed in a year can be carried forward up to 30 days.

### ii) Defined Contribution Plans

Defined contribution plans are Provident Fund Scheme, Employee State Insurance Scheme and Government administered Pension Fund Scheme for the employees. The company makes monthly contributions towards these funds / schemes, which are recognized in the Statement of Profit & Loss in the financial year to which they relate. There is no obligation other than the monthly contributions.

### iii) Defined Benefit Plans

The company has a defined benefit plan for Post-employment benefit in the form of Gratuity for all employees. Contribution on account of gratuity payment is made to the Gratuity Trust. Liability for above defined benefit plan is provided on the basis of actuarial valuation, as at the Balance Sheet date. The actuarial method used for measuring the liability is the Projected Unit Credit method. Actuarial gain and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income

## 2.15 Revenue recognition

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincides with delivery.

Sale of goods: Revenue from the sale of goods is recognised when the Company transfers Control of the product. Control of the product transfers upon shipment of the product to the customer or when the product is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the product shipped. Amounts disclosed as revenue are net off returns, trade allowances, rebates and indirect taxes.

### Export Benefits

Export incentives are accounted for on export of goods in the year of export if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim is fulfilled.

### Interest & Dividend

Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognized when the shareholders' right to receive payment is established by the balance sheet date.

## 2.16 Borrowing Costs

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognised in the Statement of Profit and Loss using the effective interest method

## 2.17 Taxes on Income

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the income statement except to the extent

that it relates to items recognized directly in equity or other comprehensive income.

Tax expense comprises of current tax and deferred 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 recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). 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. Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax is provided 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 are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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 utilised. 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 other comprehensive income or in equity). 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.

## 2.18 Earnings Per Share

Basic Earnings per Share is calculated by dividing the net profit or loss after tax for the year attributable to Equity Shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average numbers of equity shares outstanding during the year are adjusted for events of bonus issue, bonus elements in a right issue to existing shareholders and share splits.

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

## 2.19 Segment Reporting

Segment is identified and reported taking into account the nature of products and services, the different risks and returns and the integral business reporting systems. The Company primary business segment is Industrial Safety Products. The Industrial Safety Products business incorporates product Companies' viz. Leather hand Gloves, Industrial Work Garments, Seamless Knitted Gloves, Leather Shoe Upper, Safety Shoes and Nitrile Dipped Gloves, which mainly have similar risks and returns. Thus the Company business activity falls within a single primary business segment.

## 3. Critical accounting judgments, assumptions and key sources of estimation and uncertainty

The preparation of the financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognised in the year in which the results are known / materialised and, if material, their effects are disclosed in the notes to the financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the financial statements have been disclosed below. The key assumptions

concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

### **3.1 Depreciation / amortisation and impairment on property, plant and equipment / intangible assets.**

Property, Plant and Equipment and Intangible assets are depreciated/amortised on straight-line/written down value basis over the estimated useful lives (or lease term if shorter) in accordance with Company accounting policy, taking into account the estimated residual value, wherever applicable.

The Company reviews its carrying value of its Tangible and Intangible Assets whenever there is objective evidence that the assets are impaired. In such situation Asset's recoverable amount is estimated which is higher of asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount rates which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted. The Company reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation / amortisation and amount of impairment expense to be recorded during any reporting period. This reassessment may result in change estimated in future periods.

### **3.2 Arrangements containing leases and classification of leases**

The Company enters into service / hiring arrangements for various assets / services. The determination of lease and classification of the service/hiring arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

### **3.3 Claims and Compensation**

Claims including insurance claims are accounted for on determination of certainty of realisation thereof.

### **3.4 Impairment allowances on trade receivables**

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment allowance as a result of the inability of the customers to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience. If the financial conditions of the trade receivable were to deteriorate, actual write-offs would be higher than estimated.

### **3.5 Income taxes**

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes.

### **3.6 Defined benefit obligation (DBO)**

Critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose by the Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

### **3.7 Provisions and Contingencies**

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change.

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim/ litigations/ against the Company as it is not possible to predict the outcome of pending matters with accuracy.

The carrying amounts of provisions and liabilities and estimation for contingencies are reviewed regularly and revised to take account of changing facts and circumstances.

**NOTE 4: PROPERTY, PLANT AND EQUIPMENT (As at March 31, 2020)**

(₹ in Lakhs)

Sl. NO.	Particulars	GROSS BLOCK				DEPRECIATION/AMORTIZATION				NET BLOCK
		Opening as at 01.04.2019	Additions During the year	Deductions/ Adjustments During the year	As at 31.03.2020	Opening as at 01.04.2019	Provisions During the Year	Deductions/ Adjustments During the year	Up to 31.03.2020	As at 31.03.2020
<b>(i)</b>	<b>Tangible Assets:</b>									
1	Free Hold Land	459.52	-	-	459.52	-	-	-	-	459.52
2	Buildings	1,094.45	30.24	-	1,124.69	270.14	80.73	-	350.87	773.82
3	Plant and Equipment	2,289.84	102.11	7.32	2,384.63	793.72	282.38	5.22	1,070.88	1,313.75
4	Electrical Installations	171.74	5.59	-	177.33	62.44	29.31	-	91.75	85.58
5	Mould & Dies	55.99	74.64	-	130.63	22.46	25.48	-	47.94	82.69
6	Furniture & Fixtures	70.99	4.62	-	75.61	33.58	10.43	-	44.01	31.60
7	Vehicles	52.02	-	-	52.02	30.39	6.76	-	37.15	14.87
8	Office Equipments	17.39	6.63	-	24.02	8.34	5.86	-	14.20	9.82
9	Computer Software	30.52	10.64	-	41.16	25.27	8.10	-	33.37	7.79
	<b>Total</b>	<b>4,242.45</b>	<b>234.47</b>	<b>7.32</b>	<b>4,469.61</b>	<b>1,246.34</b>	<b>449.05</b>	<b>5.22</b>	<b>1,690.17</b>	<b>2,779.44</b>

**NOTE 4a: CAPITAL WORK IN PROGRESS (As at March 31, 2020)**

(₹ in Lakhs)

Sl. NO.	Particulars	COST				AMORTIZATION				NET CARRYING AMOUNT
		Opening as at 01.04.2019	Additions During the year	Deductions/ Adjustments During the year	As at 31.03.2020	Opening as at 01.04.2019	Provisions During the Year	Deductions/ Adjustments During the year	Up to 31.03.2020	As at 31.03.2020
1	Plant & Equipment	26.61	24.52	26.62	24.52	-	-	-	-	24.52
2	Building	13.73	255.38	13.73	255.38	-	-	-	-	255.38
3	Electrical Installations	1.08	-	1.07	0.01	-	-	-	-	0.01
4	Factory Equipment	-	8.05	-	8.05	-	-	-	-	8.05
5	Computer Software	1.40	5.80	1.40	5.80	-	-	-	-	5.80
	<b>SUB Total (C)</b>	<b>42.82</b>	<b>293.76</b>	<b>42.82</b>	<b>293.76</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>293.76</b>

**NOTE 5: INTANGIBLE ASSETS (As at March 31, 2020)**

(₹ in Lakhs)

Sl. NO.	Particulars	COST				AMORTIZATION				NET CARRYING AMOUNT
		Opening as at 01.04.2019	Additions During the year	Deductions/ Adjustments During the year	As at 31.03.2020	Opening as at 01.04.2019	Provisions During the Year	Deductions/ Adjustments During the year	Up to 31.03.2020	As at 31.03.2020
<b>(ii)</b>	<b>Intangible Assets:</b>									
1	Computer License	84.86	-	-	84.86	38.12	18.36	-	56.49	28.37
2	Patent Right	10.06	-	-	10.06	6.57	1.38	-	7.94	2.11
	<b>Total</b>	<b>94.92</b>	<b>-</b>	<b>-</b>	<b>94.92</b>	<b>44.69</b>	<b>19.74</b>	<b>-</b>	<b>64.43</b>	<b>30.48</b>



**NOTE 6: NON-CURRENT INVESTMENTS**

(₹ in Lakhs)

Sl. NO.	Particulars	Face Value (In ₹)	As at 31.03.2020		As at 31.03.2019	
			No.	Amount	No.	Amount
1	<b>UNQUOTED Subsidiary Company Fully Paid Equity Shares</b>					
	Mallcom VSFT Gloves Pvt. Ltd.	10	4,894,000	490.00	4,894,000	490.00
	Mallcom Safety Pvt. Ltd.	10	1,000,000	100.00	1,000,000	100.00
	<b>Total</b>			<b>590.00</b>		<b>590.00</b>
2	<b>Other Instruments</b>					
	Investment in Government or Trust Securities [NSC Placed with VAT Authorities]		-	0.06	-	0.06
	<b>Total</b>		<b>0</b>	<b>590.06</b>	<b>-</b>	<b>590.06</b>

**NOTE 7: FINANCIAL ASSETS- LOANS**

(₹ in Lakhs)

Sl. NO.	Particulars	Non-Current		Current	
		As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
1	[Unsecured and Considered Good]				
	Loans and Advances to Staff and Workers	-	-	20.85	29.48
2	Security Deposits	67.03	78.57	-	-
	<b>Total</b>	<b>67.03</b>	<b>78.57</b>	<b>20.85</b>	<b>29.48</b>

**NOTE 8: INVENTORIES (Valued at Lower of Cost or Net Realizable Value)**

(₹ in Lakhs)

Sl. NO.	Particulars	As at 31.03.2020	As at 31.03.2019
1	Raw Materials [includes in transit ₹ 479.37 lakhs (As at 31.03.2019 ₹ 217.48 lakhs)]	4,115.94	3,871.14
2	Stores and Spares	1,005.20	747.94
3	Work-in-Progress	1,183.86	1,340.51
4	Finished Goods	1,260.92	808.73
	<b>Total</b>	<b>7,565.92</b>	<b>6,768.32</b>

## NOTE 9 : CURRENT INVESTMENTS

(₹ in Lakhs)

Sl. NO.	Particulars	Face Value (In ₹)	As at 31.03.2020		As at 31.03.2019	
			Unit	Amount	Unit	Amount
1	<b>Investments at Amortised Cost QUOTED Bonds</b> Edelweiss Capital Limited , NCD	100,000	250	299.61	500	544.85
2	<b>Investment in Mutual Fund [Debt]</b> L&T Triple Ace Bond Fund -Direct -Growth L&T Banking & PSU Bond Fund-Direct-Growth L&T Short Term Fund-Direct -Growth L&T Money Market Fund-Direct-Growth Nippon India Banking & PSU Bond Fund-Direct -Growth	10.00 10.00 10.00 10.00 10.00	561,200 1,643,232 1,469,649 1,486,061 4,053,205	310.16 305.08 295.93 303.99 610.42	- - - - -	- - - - -
	<b>Total</b>			<b>2,125.19</b>		<b>544.85</b>

## 9.1 AGGREGATE CARRYING AMOUNT AND MARKET VALUE OF QUOTED INVESTMENTS

(₹ in Lakhs)

Particulars	As at 31.03.2020		As at 31.03.2019	
	Aggregate Carrying Amount	Market Value	Aggregate Carrying Amount	Market Value
<b>Quoted Investments:</b> In Bonds and Units of Mutual Funds	2,125.19	2,125.19	544.85	544.85
<b>Total</b>	<b>2,125.19</b>	<b>2,125.19</b>	<b>544.85</b>	<b>544.85</b>

## NOTE 10: TRADE RECEIVABLES

(₹ in Lakhs)

Sl. NO.	Particulars	Current	
		As at 31.03.2020	As at 31.03.2019
1	Secured, Considered Good	-	-
2	<b>Unsecured</b> Considered Good Considered Doubtful	2,143.87 -	3,514.77 -
	<b>Total</b>	<b>2,143.87</b>	<b>3,514.77</b>

## NOTE 10.1: Ageing of Trade Receivable

(₹ in Lakhs)

Sl. NO.	Particulars	As at 31.03.2020	As at 31.03.2019
	Within the credit period	2,143.87	3,514.77
	1-180 days past due	-	-
	<b>Total</b>	<b>2,143.87</b>	<b>3,514.77</b>

**NOTE 11: CASH AND CASH EQUIVALENTS**

(₹ in Lakhs)

Sl. NO.	Particulars	As at 31.03.2020	As at 31.03.2019
1	Balance with Banks	508.09	283.19
2	Cash in Hand	11.43	9.02
	<b>Total</b>	<b>519.52</b>	<b>292.21</b>

**NOTE 12 : OTHER BANK BALANCES**

(₹ in Lakhs)

Sl. NO.	Particulars	As at 31.03.2020	As at 31.03.2019
1	Margin Money (Pledged with Banks)	9.71	7.43
	<b>Total</b>	<b>9.71</b>	<b>7.43</b>

**NOTE 13 : OTHER CURRENT ASSETS**

(₹ in Lakhs)

Sl. NO.	Particulars	As at 31.03.2020	As at 31.03.2019
	(Unsecured and Considered Good)		
1	Advances to Suppliers and Contractors	731.88	1,780.51
2	Prepaid Expenses	17.43	12.47
3	Balance with Revenue Authorities (Indirect Taxes)	1,581.50	2,043.07
	<b>Total</b>	<b>2,330.81</b>	<b>3,836.05</b>

**NOTE 14 : SHARE CAPITAL**

(₹ in Lakhs)

Sl. NO.	Particulars	As at 31.03.2020	As at 31.03.2019
1	<b>AUTHORIZED CAPITAL</b> 1,00,00,000 Equity Shares of Rs. 10/- each	1,000.00	1,000.00
		<b>1,000.00</b>	<b>1,000.00</b>
2	<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b> 62,40,000 Equity Shares of Rs. 10/- each fully paid-up	624.00	624.00
	<b>Total</b>	<b>624.00</b>	<b>624.00</b>

**14.1 DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES OF THE COMPANY**

Sl. No.	Name of Shareholders	No. of Shares Held as at 31.03.2020	% of Total paid-up Equity Share Capital	No. of Shares Held as at 31.03.2019	% of Total paid-up Equity Share Capital
1.	AJAY KUMAR MALL	10,25,320	16.43	10,25,320	16.43
2.	KADAMBINI SECURITIES PRIVATE LIMITED.	21,89,606	35.09	21,89,606	35.09
3.	JAY KUMAR DAGA	12,98,494	20.81	12,98,494	20.81
4.	MALLCOM HOLDINGS PRIVATE LIMITED	6,13,600	9.83	6,13,600	9.83

- 14.2 The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share.
- 14.3 In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- 14.4 As no fresh issue or reduction in capital is made during the current year as well as during the previous period, hence there is no change in the opening and closing capital. Accordingly, reconciliation of share capital has not been given.
- 14.5 Aggregate number of bonus shares issued, shares issued for consideration other than cash and bought back shares during the period of five years immediately preceding the reporting date:

As at 31.03.2020	As at 31.03.2019
Nil	Nil

- 14.6 The Equity Shares of the company are listed at BSE Limited and the annual listing fees has been paid for the year

#### NOTE 15: OTHER EQUITY

##### Nature of Reserves

##### Capital Reserve

Capital Reserve represents the amount, being the purchase price lower than the fair market value of the capital assets acquired by the company and used for the purposes of its business.

##### Securities Premium Reserve

Securities Premium Reserve represents the amount received in excess of par value of equity shares of the company. The same, inter alia, may be utilized by the company to issue fully paid-up bonus shares to its members and buying back the shares in accordance with the provisions of the companies Act, 2013.

##### General Reserve

General Reserve represents the reserve created by apportionment of profit generated during the year or transfer from other reserves either voluntary or pursuant to statutory requirements. The same is a free reserve and available for distribution.

##### Retained Earnings

Retained Earnings represents the undistributed profits of the company.

#### NOTE 16: CURRENT BORROWINGS

(₹ in Lakhs)

Sl. NO.	Particulars	As at 31.03.2020	As at 31.03.2019
1	<b>Secured</b>		
	<b>Loan Repayable on Demand</b>		
	From Bank		
	Export Packing Credit	3,147.66	4,529.39
	Packing Credit Foreign Currency Loan	87.82	-
	<b>Total</b>	<b>3,235.48</b>	<b>4,529.39</b>

- 16.1 Demand loans from banks are secured by hypothecation of all present/future stock and receivables, all present/future fixed assets (excluding Land & Building) and Corporate guarantee by Kadimbini Securities Private Limited and Mallcom Holdings Private Limited and further personal guarantee of Managing Director.
- 16.2 There is no default in repayment of principal and interest thereon

**NOTE 17 : TRADE PAYABLES**

(₹ in Lakhs)

Sl. NO.	Particulars	As at 31.03.2020	As at 31.03.2019
1	For Supplying of Goods	2,751.64	3,325.31
2	For Supplying of Services	579.41	515.17
	<b>Total</b>	<b>3,331.05</b>	<b>3,840.48</b>

17.1 Trade Payables are based on the information available with the Company regarding the status of the Suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" and there are no delays in payments to Micro, Small and Medium enterprises as required to be disclosed under the said Act.

**NOTE 18 : FINANCIAL LIABILITIES- OTHERS**

(₹ in Lakhs)

Sl. NO.	Particulars	As at 31.03.2020	As at 31.03.2019
1	Security Deposits from Customers, Vendors & Others	404.16	438.63
	<b>Total</b>	<b>404.16</b>	<b>438.63</b>

**NOTE 19 : OTHER LIABILITIES**

(₹ in Lakhs)

Sl. NO.	Particulars	As at 31.03.2020	As at 31.03.2019
1	Customer Advances	1,148.80	1026.53
2	Statutory Liabilities	37.97	179.49
	<b>Total</b>	<b>1,186.77</b>	<b>1,206.02</b>

**NOTE 20: PROVISIONS**

(₹ in Lakhs)

Sl. NO.	Particulars	As at 31.03.2020	As at 31.03.2019
1	<b>Provision for Employee Benefits</b>		
	Gratuity	12.59	8.85
	Other Staff Benefit Schemes [Leave Encashment]	-	34.63
	<b>Total</b>	<b>12.59</b>	<b>43.48</b>

**NOTE 21: DEFERRED TAX ASSETS AND LIABILITIES (NET)**

[₹ in Lakhs]

Sl. NO.	Particulars	As at 31.03.2020	As at 31.03.2019
1	<b>Deferred Tax Assets:</b> Arising on account of: Expenses allowed for tax purpose when paid	(21.90)	(12.62)
2	<b>Deferred Tax Liabilities:</b> Arising on account of: Depreciation and Amortization	13.68	11.06
	<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>(35.58)</b>	<b>(23.68)</b>

Components of Deferred Tax Assets / (Liabilities) as at March 31, 2020 are given below

Particulars	As at 31.03.2019	Charge/ (Credit) Recognised in Profit or loss	Charge/ (Credit) Recognised in Other Com- prehensive Income	As at 31.03.2020
<b>Deferred Tax Assets:</b>	-	-	-	-
Fair Valuation of financial assets and Liabilities	(31.96)	-	(6.00)	(37.96)
Provision For Post retirement and other Employee Benefits	14.11	(8.08)	-	6.03
Remeasurement Of Defined Benefit Obligation	5.23	-	4.80	10.03
<b>Total Deferred Tax</b>	(12.62)	(8.08)	(1.20)	(21.90)
<b>Deferred Tax Liabilities:</b>	-	-	-	-
Fair Valuation (Gain) / Loss on Investments	-	-	-	-
Timing Difference with respect to property, Plant and equipment and Other Intangible assets	11.06	2.62	-	13.68
<b>Total Deferred Tax Assets</b>	11.06	2.62	-	13.68
<b>Net Deferred Tax Assets/ (Liabilities)</b>	<b>(23.68)</b>	<b>(10.70)</b>	<b>(1.20)</b>	<b>(35.58)</b>

Components of Deferred Tax Assets / (Liabilities) as at March 31, 2019 are given below

Particulars	As at 31.03.2018	Charge/ (Credit) Recognised in Profit or loss	Charge/ (Credit) Recognised in Other Com- prehensive Income	As at 31.03.2019
<b>Deferred Tax Assets:</b>	-	-	-	-
Fair Valuation of financial assets and Liabilities	(1.68)	(30.28)	-	(31.96)
Provision For Post retirement and other Employee Benefits	11.72	2.39	-	14.11
Remeasurement Of Defined Benefit Obligation	(3.93)	-	9.16	5.23
<b>Total Deferred Tax</b>	6.11	27.89	9.16	(12.62)
<b>Deferred Tax Liabilities:</b>	-	-	-	-
Fair Valuation (Gain) / Loss on Investments	-	-	-	-
Timing Difference with respect to property, Plant and equipment and Other Intangible assets	8.66	2.40	-	11.06
<b>Total Deferred Tax Assets</b>	8.66	2.40	-	11.06
<b>Net Deferred Tax Assets/ (Liabilities)</b>	<b>(2.55)</b>	<b>(30.29)</b>	<b>9.16</b>	<b>(23.68)</b>

**NOTE 22: REVENUE FROM OPERATIONS**

(₹ in Lakhs)

Sl. NO.	Particulars	As at 31.03.2020	As at 31.03.2019
1	<b>Sale of Manufactured Goods</b>		
	Leather Gloves	4,614.64	4,820.10
	Textile Garments	8,490.65	8,787.65
	Nitrile Dipped Gloves	2,108.62	3,231.21
	Safety shoes	9,425.37	9,054.14
	Shoe Upper	601.73	782.09
	Knitted Gloves	128.64	668.04
	Helmet/Facemask/Eye Protection	49.61	66.59
	Others	11.12	111.10
		25,430.32	27,520.92
2	<b>Sale of Traded Goods</b>		
	Leather Gloves	166.27	153.50
	Textile Garments	278.68	580.00
	Nitrile Dipped Gloves	322.47	28.50
	Safety shoes	1,396.03	285.70
	Others	33.06	7.50
		2,196.51	1,055.20
3	Service Exports	-	93.16
4	Job Work Charges	-	26.49
5	Foreign Exchange Gain	164.38	289.52
6	Export Incentives	977.88	1,087.45
		1,142.26	1,496.62
	<b>Total</b>	<b>28,769.09</b>	<b>30,072.74</b>

**NOTE 23: OTHER INCOME**

(₹ in Lakhs)

Sl. NO.	Particulars	As at 31.03.2020	As at 31.03.2019
1	Interest Income	3.67	3.85
2	Profit on sale of Fixed asset	-	5.99
3	Profit on sale of Investment	27.21	-
4	Balances Written Back	2.42	5.99
5	Other Non Operating Income	12.56	5.48
	<b>Total</b>	<b>45.86</b>	<b>21.31</b>

**NOTE 24: COST OF MATERIALS CONSUMED**

(₹ in Lakhs)

Sl. NO.	Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
a)	<b>Opening Stock</b>	4,619.07	4,681.64
	<b>PURCHASES OF RAW MATERIALS AND STORES</b>		
1	Raw Materials (Including Carriage Inward)	14,224.38	14,764.29
2	Stores and Spares	1,584.34	1,739.22
3	Packing Materials	709.56	663.79
	<b>Sub-Total</b>	<b>16,518.28</b>	<b>17,167.30</b>
	<b>Closing Stock</b>	5,121.14	4,619.07
	<b>Cost of Materials Consumed</b>	16,016.21	17,229.87
	<b>Total</b>	<b>16,016.21</b>	<b>17,229.87</b>

**NOTE 25: PURCHASE OF TRADED GOODS**

(₹ in Lakhs)

Sl. NO.	Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
1	Safety Shoes	1,321.11	1,246.19
2	Nitrile Dipped Gloves	209.32	27.95
3	Leather Gloves	104.63	152.75
4	Textile Garments	194.16	546.96
5	Others	29.69	7.01
6	Custom Duty on Purchase	-	22.87
	<b>Total</b>	<b>1,858.91</b>	<b>2,003.73</b>

**NOTE 26: CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS**

(₹ in Lakhs)

Sl. NO.	Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
1	<b>Closing stock</b>		
	Work-in-Progress	1,183.86	1,340.50
	Finished Goods	1,260.92	808.74
		2,444.78	2,149.24
2	<b>Opening stock</b>		
	Work-in-Progress	1,340.50	952.20
	Finished Goods	808.74	847.78
		2,149.24	1,799.98
3	(Increase)/Decrease	<b>(295.53)</b>	<b>(349.26)</b>



[₹ in Lakhs]

Sl. NO.	Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
1	<b>Finished Goods</b>		
	Leather Gloves	310.59	20.53
	Textile Garments	148.50	58.04
	Nitrile Dipped Gloves	140.58	248.22
	Safety Shoes	365.89	334.72
	Shoe Upper	95.39	-
	Knitted Gloves	41.35	14.66
	Leather	76.88	-
	Helmets	21.67	60.00
	Personal Protective Equipments (Others)	60.06	72.57
		<b>1,260.92</b>	<b>808.74</b>
2	<b>Work-in-progress</b>		
	Leather Gloves	103.95	33.90
	Nitrile Dipped Gloves	-	240.75
	Textile Garments	418.83	396.70
	Knitted Gloves	2.98	19.90
	Safety Shoes	562.86	24.09
	Leather	-	33.80
	Shoe Uppers	95.24	591.37
		<b>1,183.86</b>	<b>1,340.51</b>

**NOTE 27 : EMPLOYEE BENEFIT EXPENSES**

[₹ in Lakhs]

Sl. NO.	Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
1	Salaries, Wages and Bonus	1,117.84	1,089.57
2	Contribution to Provident and Other Funds [Refer Note 32]	88.08	60.47
3	Leave Encashment	-	(6.89)
4	Staff Welfare Expenses	20.21	15.09
	<b>Total</b>	<b>1,226.13</b>	<b>1,158.24</b>

**NOTE 28 : FINANCE COSTS**

[₹ in Lakhs]

Sl. NO.	Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
1	Interest Expenses	189.34	333.37
2	Bank and Finance Charges	66.89	57.13
	<b>Total</b>	<b>256.23</b>	<b>390.50</b>

**NOTE 29 : MANUFACTURING AND OTHER OPERATIONAL EXPENSES**

[₹ in Lakhs]

Sl. NO.	Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
1	Fabrication & Processing Charges	5,089.71	5,146.79
2	Factory Maintenance	80.05	61.85
3	Freight- Export	122.56	201.28
4	Terminal Handling Charges - Export	60.21	62.94
5	Clearing & Forwarding expenses	93.33	111.06
6	Insurance	25.40	20.65
7	Carriage Outward	315.67	91.10
8	Sales Promotion Expenses	318.26	387.08
9	Trade Fair Expenses	27.43	20.08
10	Sales Commision	19.08	32.84
11	Other Selling Expenses	142.31	179.34
12	Power and Fuel	214.81	208.49
13	Repairs to Building	4.66	20.77
14	Repairs to Plant and Machinery	87.14	68.93
15	Security Charges	48.09	41.69
<b>TOTAL</b>		<b>6,648.71</b>	<b>6,654.89</b>

**NOTE 29 (a) : OTHER EXPENSES**

[₹ in Lakhs]

Sl. NO.	Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
1	Rent	22.96	58.85
2	Rates and Taxes	8.44	9.33
3	Travelling & Conveyance	8.98	104.67
4	Directors' Sitting Fees	1.72	1.52
5	Loss on sale of Fixed Assets	0.33	-
6	Postage, Telephone & Telex	12.67	15.95
7	Printing & Stationery	16.27	19.66
8	Filing Fees	0.49	1.72
9	Legal & Professional Fees	54.69	35.90
10	Membership & Subscription	8.79	17.26
11	Payment to Auditors (refer details below)	6.77	4.38
12	Miscellaneous Expenses	183.98	26.90
13	Irrecoverable Receivables Written Off	2.09	68.40
<b>Total</b>		<b>328.18</b>	<b>364.54</b>
<b>Payment to Auditor</b>			
<b>As Auditor:</b>			
	Audit Fee	3.75	2.75
	Tax Audit Fee	0.50	0.50
	Certification Charges	0.80	0.80
	Other Services	1.72	0.33
<b>Total</b>		<b>6.77</b>	<b>4.38</b>

**NOTE 30 : CONTINGENT LIABILITIES (CLAIMS/DEMANDS NOT ACKNOWLEDGED AS DEBT)**

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>a) Contingent Liabilities</b>		
Export bills duty discounted/negotiated under LC and for which acceptance already received and/or moved to bank line (previous years figures relates to Bill drawn under LC only)	158.60	689.52
Outstanding Bank guarantee issued by SBI and CITI Bank	22.41	5.00
Bond under customs issued in the favor of Assistant Commissioner of Customs covering the purchase of imported / indigenous capital goods/ raw materials without payment of Custom duty with respect to 100% E.O.U. for Manufacture of Safety Work Garments	250.00	250.00
Bond cum Legal undertaking issued in favour of Development Commissioner Indigenous capital goods/ raw materials without payment of Custom duty with respect to 100% FSEZ unit	310.00	310.00
Sales Tax demand in respect of earlier years, Which has been disputed by the company	329.86	2.80
Income Tax Demand in respect of earlier years, which has been disputed by the company	86.21	124.79
Service Tax Demand in respect of earlier years which has been disputed by the company	29.50	31.88
Corporate Guarantee Given in favor of Citibank N.A for the term loan extended by them to the Subsidiary Company " Mallcom VSFT Gloves Pvt. Ltd"	180.95	180.95

- b) The company has the following outstanding export forward contracts against the confirmed orders in hand hence no contingent liability has been estimated

Particulars	As at 31.03.2020	As at 31.03.2019
USD	23,71,828.18	33,10,315.35
EURO	24,28,332.45	29,95,800.10

**NOTE 31: EMPLOYEE BENEFITS (REFER NOTE 27)**

- (a) Contribution to defined Contribution Plans recognized as expenses are as under:-

(₹ in Lakhs)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Providend Fund	55.52	31.70
ESIC	19.98	19.92
<b>Total</b>	<b>75.50</b>	<b>51.62</b>

- (b) Defined Benefit Plan

**Gratuity** - The company has defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with HDFC Standard Life Insurance Co Ltd.

## Disclosure for defined benefit plans based on actuarial reports:

Particulars	[₹ in Lakhs]	
	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>Changes in Defined Benefit Obligations:</b>		
Present value of defined benefit obligation at the beginning of the year	107.54	80.70
Current Service Cost	11.30	9.21
Interest Cost	7.26	6.26
Remeasurements (gains)/losses	6.18	15.47
Benefits paid	(3.18)	(4.09)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>129.09</b>	<b>107.55</b>
<b>Change in Plan Assets:</b>		
Fair value of plan assets at the beginning of the year	88.44	85.4
Expected Return on Plan Assets	5.97	6.62
Remeasurements (gains)/losses	(12.92)	0.51
Contributions	8.85	-
Benefits paid	(3.18)	(4.09)
<b>Fair value of plan assets at the end of the year</b>	<b>87.16</b>	<b>88.44</b>
<b>Fair Value of Planned Assets:</b>		
Fair value of plan assets at the beginning of the year	88.44	85.40
Actual Return on plan assets	(6.95)	7.13
Contributions	8.85	-
Benefits Paid	(3.18)	(4.09)
<b>Fair value of plan assets at the end of the year</b>	<b>87.16</b>	<b>88.44</b>
<b>Actuarial (Gain)/Loss on Planned Assets:</b>		
Actual Return on plan assets	(6.95)	7.13
Expected Return on Plan Assets	(5.97)	(6.62)
<b>Actuarial (Gain)/Loss</b>	<b>(12.92)</b>	<b>0.51</b>
<b>Actuarial (Gain)/Loss recognized:</b>		
Actuarial (gain)/loss- obligation	(6.18)	(15.47)
Actuarial (gain)/loss- plan assets	(12.92)	0.51
<b>Total Actuarial (Gain)/Loss</b>	<b>(19.09)</b>	<b>(14.96)</b>
<b>Actuarial (Gain)/Loss recognized</b>	<b>(19.09)</b>	<b>(14.96)</b>
<b>Outstanding actuarial (gain)/loss at the end of the year</b>		
<b>Experience adjustment:</b>		
Experience Adjustment (Gain)/Loss for Plan Liabilities	2.07	(15.47)
Experience Adjustment (Gain)/Loss for Plan Assets	12.92	(0.51)
<b>Summary of membership data at the date of valuation and statistics based thereon:</b>		
Number of employees	365	356
Total monthly salary	27.23	24.23
Average Past Service(Years)	8.50	8.20
Average Future Service(Years)	20.60	21.40
Average Age(Years)	39.40	38.60
Weighted average duration (based on discounted cash flows) in years	13	13
<b>Average Monthly Salary</b>	<b>7,460</b>	<b>6,806</b>
<b>Expenses Recognized in the statement of Profit and Loss</b>		
Current Service Cost	11.30	9.22
Interest Cost	7.26	6.25
Expected Return on Plan Assets	(5.97)	(6.62)
<b>Expenses Recognized in the statement of Profit and Loss</b>	<b>12.59</b>	<b>8.85</b>

(₹ in Lakhs)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>Expenses Recognized in Other Comprehensive Income (OCI)</b>		
Actuarial (gains)/losses arising from changes in financial assumptions	41.93	19.10
<b>Total recognized in Other Comprehensive Income</b>	<b>41.93</b>	<b>19.10</b>
<b>Total recognized in Total Comprehensive Income</b>	<b>54.52</b>	<b>27.95</b>
<b>Amount recognized in the Balance Sheet consists of</b>		
Present Value of Defined Benefit Obligation	129.09	107.54
Fair Value of Plan Assets	87.16	88.44
Net Liability	41.93	19.10
<b>The Major Categories of Plan Assets as a % of Total Plan</b>		
Qualifying Insurance Policy	100%	100%

**The Principal actuarial assumption used:**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Discount Rate	6.75% per annum	7.75% per annum
Salary Growth Rate	5.00% per annum	5.00% per annum
Mortality Rate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected Rate Of Return	7.75% per annum	7.75% per annum
Withdrawal Rate (Per Annum)	6.95% p.a	6.95% p.a

The estimates of future salary increases have been considered in actuarial after taking into consideration the impact of inflation, Seniority, promotion and other relevant factors such as supply and demand situation in the employment market. Same assumptions were considered for comparative period i.e. 2018-19 as per Ind-AS 19. The Gratuity Scheme is invested in group Gratuity cash accumulation policy offered by HDFC Life Insurance Co Ltd. The gratuity plan is not exposed to any significant risk in view of absolute track record, Investment is as per IRDA guidelines and mechanism is there to monitor the performance of the fund.

**Benefits Valued:**

Normal Retirement Age	60 Years	60 Years
Salary	Terminal Basic Salary [Excluding all other Allowances and Perquisites]	Terminal Basic Salary (Excluding all other Allowance and Perquisites]
Vesting Period	5 Years of Service	5 Years of Service
Benefits of Normal Retirement	15/26*Salary Number of Completed Years of Service	15/26*Salary Number of Completed Years of Service
Benefit on early exit due to death and disability	As above except that no vesting conditions apply	As above except that no vesting conditions apply
Limit	2,000,000.00	2,000,000.00

**Current Liability:**

Particulars	2019-20	2018-19
Current Liability	28.50	29.09
Non Current Liability	100.59	78.46
Total Liability	129.09	107.55

\* Because of Overfunding

\* Current Liability: It is probable outlay in next 12 months as required by the Companies Act

**Sensitivity Analysis:**

Assumptions Sensitivity Level	Discount Rate		Salary Growth Rate		Withdrawal Rate	
	1.0% Increase	1.0% Decrease	1.0% Increase	1.0% Decrease	1.0% Increase	1.0% Decrease
Impact on Defined Benefit Obligation (₹ in Lakhs)	75.78	86.28	86.37	75.62	81.53	79.75

The company expects to contribute ₹ 12.59 Lakhs (Previous Year ₹ 8.85 lakhs) to gratuity fund.

The weighted average duration of the defined benefit obligation as at 31.03.2020 is 13 years ( as at 31.03.2019: 15 years).

Estimate of expected benefit payments (In absolute terms i.e. undiscounted).

Particulars	(₹ in Lakhs)
01 st April 2020 to 31 st March 2021	28.50
01 st April 2021 to 31 st March 2022	4.83
01 st April 2022 to 31 st March 2023	4.60
01 st April 2023 to 31 st March 2024	4.13
01 st April 2024 to 31 st March 2025	8.60
01 st April 2025 Onwards	78.44

**(c) Provident fund managed by a trust set up by the company**

In terms of the guidance note issued by the Institute of Actuaries for measurement of provident fund liabilities, the actuary has provided a valuation of provident fund liability and based on the assumption provided below. The details of the plan assets and obligations position are as follows:

(₹ in Lakhs)

Particulars	As at	As at
	31.03.2020	31.03.2019
Plan assets at the year end, at fair value	(69.34)	80.70
Present value of defined obligation at year end	88.44	85.40
Net liability/(asset) recognized in the Balance Sheet	19.10	(4.70)

**NOTE 32: SEGMENT REPORTING**

- (A) The Company's primary business segment is Industrial Safety Products. The Industrial Safety Products business incorporates product groups viz. Leather hand Gloves, Industrial Work Garments, Seamless Knitted Gloves, Leather Shoe Upper, Safety Shoes and Nitrile Dipped Gloves, which mainly have similar risks and returns. Thus the Company's business activity falls within a single primary business segment.
- (B) For the purpose of geographical segments, total sales are divided into India and other countries. The following table shows the distribution of the company's sales by geographical market regardless of where the goods are produced:

(₹ in Lakhs)

Particulars	For the Year ended	For the Year ended
	31.03.2020	31.03.2019
Segment Revenue from Operations:		
Outside India	18,964.22	20,704.94
Within India	9,804.87	9,367.80
<b>Total</b>	<b>28,769.09</b>	<b>30,072.74</b>

(₹ in Lakhs)

Particulars	For the Year ended	For the Year ended
	31.03.2020	31.03.2019
Trade Receivables:		
Outside India	1,940.37	3,044.99
Within India	203.50	469.78
<b>Total</b>	<b>2,143.87</b>	<b>3,514.77</b>

The company has common fixed assets for producing goods for domestic and export markets. Hence, Separate figures for fixed assets/additions to fixed assets are not furnished.

**NOTE 33: RELATED PARTY DISCLOSURE (AS PER IND AS 24- RELATED PARTY DISCLOSURES)**

a) Subsidiaries	i) Mallcom Safety Pvt. Ltd. [MSPL] ii) Mallcom VSFT Gloves Pvt. Ltd. [VSFT]
b) Associates	i) Kadambini Securities Pvt. Ltd. [KSPL] ii) Mallcom Holdings Pvt. Ltd. [MHPL] iii) Movers Construction Pvt. Ltd. [MCPL] iv) Chaturbujh Impex Pvt. Ltd. [CIPL] v) DNB Exim Pvt. Ltd. [DNB] vi) Two Star Tannery Pvt. Ltd. [TSTPL] vii) Best Safety Pvt. Ltd [BSPL] viii) SSR Enterprises Pvt. Ltd. [SSR] (formerly Vikram Traders Pvt. Ltd.) ix) Mallcom Lexotic Exports Pvt. Limited [MLEPL] x) Anmol Components Pvt. Ltd. [ACPL] xi) Trencher Online Services Private Limited [TOSPL]
c) Key Managerial Personnel	i) Mr. Ajay Kumar Mall (Managing Director) ii) Mr. Shyam Sundar Agrawal (Chief Financial Officer) iii) Ms. Shuvanki Purkayastha (Company Secretary) [Ms. Twinkle Pandey in FY. 2018-2019]
d) Relatives of Key Managerial Personnel	i) Mr. Sanjay Kumar Mall ii) Mrs. Sunita Mall iii) Mr. Giriraj Mall iv) Mr. Rohit Mall v) Ms. Kiran Devi Mall vi) Mrs. Preeti Mall vii) Ms. Surabhi Mall

**e) Transaction with related parties during the year and balance outstanding at the year end:**

(₹ in Lakhs)

Type of Transaction	Transaction with subsidiaries referred to in (a) above		Transaction with associates referred to in (b) above		Transaction with Key Managerial (KMP) referred to in (c) above		Relatives of Key Managerial referred to in (d) above	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Sale of goods & services	9.25	3.49	774.80	1,065.59	-	-	-	-
Purchase of goods & services	-	-	2,994.62	3,410.24	-	-	-	-
Job Work Charges paid	855.06	875.79	-	-	-	-	-	-
Advance Given	56.03	-	-	-	-	-	-	-
Security Deposit / Advance	-	13.63	306.38	9.07	-	-	-	-
Unsecured Loan & Advance Repaid	-	13.63	-	7.91	-	-	-	-
Remuneration **	-	-	-	-	56.81	52.27	-	10.20
Dividend Paid	-	-	75.07	75.07	20.51	20.51	6.75	6.75
Rent (including service charges) Paid	-	-	54.00	54.00	-	-	-	-

\*\* As the future liability of gratuity is provided on actuarial basis for the company as a whole, the amount pertaining to the related party is not included above.



f) Details of compensation paid to KMP during the year are as follows:

(₹ in Lakhs]

Particulars	For the Year ended	
	31.03.2020	31.03.2019
Short-term employee benefits	53.18	48.77
Post-employment benefits*	3.63	3.50
Other long-term benefits*	-	-

\* Post-employment benefits and other long-term benefits are disclosed based on actual payment made on retirement/resignation of services, but does not include provision made on actuarial basis as the same is available for all the employees together.

**NOTE 34: INCOME TAX EXPENSE**

(₹ in Lakhs]

Particulars	For the Year ended	
	31.03.2020	31.03.2019
Current Tax	587.93	766.02
Deferred Tax		
Relating to origination and reversal of temporary differences	-	-
<b>Tax Expense attributable to Current Year's/Period's Profit</b>	<b>587.93</b>	<b>766.02</b>
Adjustments in respect of Income Tax of Earlier Years	35.61	-
<b>Income Tax Expense reported in the Statement of Profit and Loss</b>	<b>623.54</b>	<b>766.02</b>
<b>Current Tax related to items recognized in Other Comprehensive Income during the year/period</b>		
Net [gain]/Loss on remeasurement of defined benefit plan	1.20	26.73
<b>Income Tax Charged to Other Comprehensive Income</b>	<b>1.20</b>	<b>26.73</b>

**NOTE 35: FINANCIAL INSTRUMENTS**

The accounting classification of each category of financial instrument, their carrying amount and fair value are as follows:-

(₹ in Lakhs]

Particulars	As at 31.03.2020		As at 31.03.2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets (Current and Non-Current)</b>				
<b>Financial Assets measured at Amortised Cost</b>				
Trade Receivables	2,143.87	2,143.87	3,514.77	3,514.77
Cash and Cash Equivalents	519.52	519.52	292.21	292.21
Other Bank Balances	9.71	9.71	7.43	7.43
Loans	87.87	87.87	108.05	108.05
<b>Financial Assets measured at Fair Value through Profit and Loss Account</b>				
Investment in Equity Instruments and Bonds	2,715.25	2,715.25	1,134.91	1,134.91
<b>Financial Liabilities (Current and Non-Current)</b>				
<b>Financial Liabilities measured at Amortised Cost</b>				
Borrowings	3,325.48	3,325.48	4,529.39	4,529.39
Trade Payables	3,331.05	3,331.05	3,840.48	3,840.48
Other Financial Liabilities	404.16	404.16	438.63	438.63

**Fair Valuation Techniques**

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

The fair value of cash and cash equivalents, current trade receivables and payables, current financial liabilities and assets and borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/amortised cost in the financial statements approximate their fair values.

A substantial portion of the company's long-term debt has been contracted at floating rates of interest, which are reset at short intervals. Fair value of variable interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost. In respect of fixed interest rate borrowings, fair value is determined by using discount rates that reflects the present borrowing rate of the company.

Investments (Other than Investments in Associates, Joint Venture and Subsidiaries) traded in active market are determined by reference to the quotes from the stock exchanges as at the reporting date. Investments in liquid and short-term mutual funds are measured using quoted market prices at the reporting date multiplied by the quantity held. Quoted Investments for which quotations are not available have been included in the market value at the face value/paid up value, whichever is lower except in case of debentures, bonds and government securities where the net present value at current yield to maturity have been considered. Unquoted investments in shares have been valued based on the historical net asset value as per the latest audited financial statements.

**Derivative financial assets and liabilities:**

The Company follows established risk management policies, including the use of derivatives to hedge its exposure to foreign fluctuations on foreign currency assets/liabilities. The counter party in these derivative instruments is a bank and the company considers the risks of non-performance by the counter party as non-material.

The following tables present the aggregate contracted principal amounts of the company's derivative contracts outstanding:

Underlying Purpose	Category	As at 31.03.2020		As at 31.03.2019		Currency
		No. of deals	Amount in Foreign Currency	No. of deals	Amount in Foreign Currency	
Export Receivables	Forward	16	23,71,828.18	19	33,10,315.35	USD/INR
Export Receivables	Forward	21	24,28,332.45	17	29,95,800.10	EURO/INR

**FINANCIAL RISK FACTORS**

The Company's activities and exposed to variety of financial risks. The key financial risks includes market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The board of Directors reviews and approves policies for managing these risks. The risks are governed by appropriate policies and procedures and accordingly financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

**MARKET RISK**

Market risk is the risk or uncertainty arising from possible market fluctuations resulting in variation in the fair value of future cash flows of a financial instruments. The major components of Market risks are currency risk, interest rate risk and other price risk. Financial instruments affected by market risk includes trade receivables, borrowings, investments and trade and other payables.

**Foreign Currency Risk**

Foreign Currency risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency denominated borrowings, trade receivables and trade or other payables.

The Company has adopted a comprehensive risk management review system wherein it actively hedges its foreign exchange exposures within defined parameters through use of hedging instruments such as forward contracts. The Company periodically reviews its risk management initiatives and also takes experts advice on regular basis on hedging strategy.

#### Interest Rate Risk

The company's exposure in market risk relating to change in interest rate primarily arises from floating rate borrowing with banks and financial institutions. Borrowings at fixed interest rate exposes the company to the fair value interest rate risk.

#### Other price risk

The Company's equity exposure in Subsidiaries are carried at cost or deemed cost and these are subject to impairment testing as per the policy followed in this respect. The company's current investments which are fair valued through profit and loss are not material. Accordingly, other price risk of the financial instrument to which the company is exposed is not expected to be material.

#### CREDIT RISK

The credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables). The management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and ageing of accounts receivable. Individual risk limits are set accordingly and the company obtains necessary security including letter of credits and/or bank guarantee to mitigate.

The carrying amount of respective financial assets recognised in the financial statements, (net of impairment losses) represents the company's maximum exposure to credit risk. The concentration of credit risk is limited due to the customer base being large and unrelated. Of the trade receivable balance at the end of the year (other than subsidiaries), there are no single customer accounted for more than 10% of the accounts receivable and 10% of revenue as at March 31, 2020 and March 31, 2019.

#### LIQUIDITY RISK

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's objective is to maintain optimum level of liquidity to meet it's cash and collateral requirements at all times. The company's assets represented by financial instruments comprising of receivables are largely funded against borrowed funds. The company relies on borrowings and internal accruals to meet its fund requirements. The current committed line of credit are sufficient to meet its short to medium term fund requirement.

#### NOTE 36: EARNING PER SHARE (EPS)

##### A. Basic and Diluted EPS:

Particulars		2019-20	2018-19
Profit or Loss attributable to ordinary Equity Shareholders	₹ in Lakhs	1,826.07	1,408.45
Equity Share Capital	₹ in Lakhs	624.00	624.00
Weighted average number of equity shares outstanding (Face value of ₹ 10/- per share)	Nos.	62,40,000	62,40,000
Earnings Per Share- Basic and Diluted	₹	29.26	22.57

##### B. Cash EPS: (Profit for the year+Depreciation and Amortisation Expense+Deferred tax)/Weighted average number of equity shares outstanding

**NOTE 37: LEASE**

In case of asset taken on lease:

Operating Lease:

The company has taken certain premises on lease for 3 years to 99 years. There are no subleases.

Particulars	₹ in Lakhs	
	2019-20	2018-19
Lease payment for the year	4.23	4.39
Minimum Lease payment not later than 1 year	5.08	4.39
Later than one year but not later than Five years	1.87	8.78
Later than Five years	35.31	31.86

**NOTE 38: MICRO, SMALL AND MEDIUM ENTERPRISES**

There were no dues outstanding to the suppliers as on 31.03.2020 registered under the Micro, Small and Medium Enterprises [Development] Act, 2006, to the extent such parties have been identified from the available documents/ information. No interest in terms of such Act has either been paid or provided during the year.

**NOTE 39:** In the opinion of the management and to the best of their knowledge and belief, the value of realization of loans and advances and other current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.

**NOTE 40:** Provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility (CSR) is applicable in case of the company. The Company was required to incur a minimum amount of ₹ 22.14 Lakhs being two percent of average net profits of the company made during the three immediately preceding financial years as calculated as per section 198 of the Companies Act, 2013. The company has incurred a sum of ₹ 34.00 Lakhs in the year and the excess amount was duly approved by the CSR Committee, Audit Committee and the Board. All the expenses have been incurred in cash.

**NOTE 41:** Figures less than 50,000 have been shown actual, wherever statutorily required to be disclosed, as the figures have been rounded off to the nearest Lakhs.

**NOTE 42:** The Company has considered the possible effects that may arise out of the still unfolding COVID-19 pandemic on the carrying amounts of Property, Plant & Equipment, Intangible Assets, Investments, Inventories, Trade Receivables etc. For this purpose the company has considered internal and external sources of information up to the date of approval of the financial results including credit reports and related information, economic forecasts, market value of certain investments etc. Based on the current estimates the company doesn't expect any significant impact on such carrying values.

**NOTE 43:** The Board of Directors has recommended dividend of ₹ 2/- per equity (previous year ₹ 2/-) of ₹ 10/- each for the year ended 31st March, 2020

**NOTE 44:** These Financial Statements have been approved by Board of Directors of the Company on 29th June 2020 for issue to the shareholders for their adoption.

As per our Report of even date.

**For S. K. Singhania & Co.**  
Chartered Accountants  
Firm Registration No. 302206E

**Rajesh Singhania**  
Partner  
Membership No. 52722

Place: Kolkata  
Date: 29th June, 2020

**For and on behalf of the Board**

**A.K.Mall**  
Chairman & Managing Director  
(DIN : 00470184)

**S.S.Agrawal**  
Chief Financial Officer

**G.K.Mall**  
Director  
(DIN : 01043022)

**S. Purakayastha**  
Company Secretary  
(ACS : 42302)

# INDEPENDENT AUDITOR'S REPORT

## to the Members of MALLCOM (INDIA) LIMITED

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

#### Opinion

1. We have audited the accompanying consolidated financial statements of **Mallcom India Limited** [**the Holding Company**] and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements / consolidated financial statements and on the other financial information of the subsidiaries the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ['Act'] in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ['Ind AS'] specified under Section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at 31 March 2020, and its consolidated profit (consolidated financial performance including other comprehensive income), its consolidated cash

flows and the consolidated changes in equity for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ['ICAI'] together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the consolidated financial statements for current period.

We have determined the matters described below to be the key audit matters to be communicated in our report :

#### Information other than the Financial Statements and

#### (i) Completeness, existence and accuracy of Revenue Recognition [Refer to Note 2.15 and 22 to the standalone financial statements]

Key Audit Matters	How the matter was addressed in our audit
Revenue recognition /Adoption of New Accounting Standard Ind AS 115: Revenue from contracts with customers [Refer to Note 2.15 and 22 to the standalone financial statements]	Principal audit procedures: a) Our audit procedures with regard to revenue recognition included testing controls, automated and manual, around dispatches/deliveries, inventory

Key Audit Matters	How the matter was addressed in our audit
<p>Revenue is one of the key profit drivers and is therefore susceptible to mis-statement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year. The Company manufactures and sells a number of products to its customers. The Company has adopted the new accounting standard Ind AS 115 as at April 1, 2018 and accordingly has reviewed its sales contracts for determining the principles for recognizing revenue in accordance with the new standard.</p>	<p>reconciliations and circularization of receivable balances, substantive testing for cut-offs and analytical review procedures.</p> <p>b) Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to the identification of performance obligations and timing of revenue recognition.</p> <p>c) Selected a sample of contracts and reassessed contractual terms to determine adherence to the requirements of the new accounting standard.</p>

<b>(iii) Existence and Valuation of Inventories(Refer note 2.10 and 8 of the Standalone Financial Statements)</b>	
Key Audit Matters	How the matter was addressed in our audit
<p>The Company's major part of inventory comprises Raw Material/ Accessories/ Work-in-Progress/ finished goods which are geographically spread over multiple locations such as factories producing difference products. These inventories are also procured at many times as per customer specification and order requirement and customized as such. The whole inventory is counted by the Company on a cyclical basis and accordingly provision for obsolescence of inventories is assessed and recognized by the management in the financial statements based on management estimation as at end of reporting period.</p> <p>The Company manufactures and sells goods which may be subject to changing consumer demands and product developments. Significant degree of judgment is thereby required to assess the net realizable value of the inventories and appropriate level of provisioning for items which may be ultimately sold below cost. Such judgment includes management's expectations for future sale volumes, inventory liquidation plans and future selling prices less cost to sell.</p> <p>Based on above, existence and valuation of inventories has been identified as a key audit matter.</p>	<p>In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <p>a) Obtaining an understanding of and assessing the design, implementation and operating effectiveness of management's key internal controls relating to physical verification of inventories by the management and the internal auditors of the Company, identification of obsolete and slow moving inventories, inventories with low or negative gross margins, monitoring of inventory ageing and assessment of provisioning and of net realizable values.</p> <p>b) Assessing whether items in the inventory ageing report prepared by the management were classified within the appropriate ageing bracket;</p> <p>c) Performing a review of the provisions for inventories by examining movements in the balance during the current year and new provisions made for inventory balances as at 31 March 2020 during the current year to assess the historical accuracy of management's inventory provisioning process;</p> <p>d) Assessing, on a sample basis, the net realizable value of slow-moving and obsolete inventories and inventories with low or negative gross margins as calculated by management with reference to prices achieved and costs to sell after the financial year end.</p> <p>e) Attending cyclical inventory counts at various godown &amp; factories at regular intervals during the reporting period and evaluating the results of the cycle counts performed by the management throughout the year to assess management's estimation of the provisioning.</p>

### Auditor's Reports

- The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements.

### Management's responsibility for Consolidated Financial Statements

- The Holding 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 consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective

Board of Directors /management of the companies included in the Group, and its associate companies and joint venture companies covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets 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. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

- In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
- Those Board of Directors are also responsible for overseeing the Group's financial reporting process. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements.

### Auditor's Responsibility for Audit of Consolidated Financial Statements

- Our objectives are to obtain reasonable assurance about whether the consolidated 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 Standards on Auditing 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 holding 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 Group'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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
  12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
  13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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**

14. As required by Section 197(16) of the Act, based on



our audit and on the consideration of the reports of the other auditors, on separate financial statements / consolidated financial statements of the subsidiaries, we report that the Holding Company and two subsidiary companies covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.

15. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements / consolidated financial statements and other financial information of the subsidiaries we report, to the extent applicable, 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 purpose of our audit of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act;
- e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies covered under the Act, none of the directors of the Group companies covered under the Act, are disqualified as on 31 March 2020

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 Holding Company, and its subsidiary companies, covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';
- g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements / consolidated financial statements as also the other financial information of the subsidiaries:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;
  - ii. Provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts;
  - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund, if any, by the Holding Company, and its subsidiary companies during the year ended 31 March 2020;

**For S. K. Singhania & Co.**  
Chartered Accountants,  
Firm Registration No. 302206E

**Rajesh Singhania**  
Partner  
Membership No. 52722

Place: Kolkata  
Dated: June 29th, 2020

## ANNEXURE A TO THE INDEPENDENT AUDITORS REPORT

### Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Act')

1. In conjunction with our audit of the consolidated financial statements of Mallcom India Limited (the 'Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as the 'Group') as at and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company, its subsidiary companies, which are companies covered under the Act, as at that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of

their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company and its subsidiary companies as aforesaid.

### Meaning of Internal Financial Controls over Financial Reporting

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

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

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

### Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on IFCoFR of the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary companies as aforesaid, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S. K. Singhania & Co.**  
Chartered Accountants,  
Firm Registration No. 302206E

**Rajesh Singhania**  
Partner  
Membership No. 52722

Place: Kolkata  
Dated: June 29th, 2020

**CONSOLIDATED BALANCE SHEET as at 31st March 2020**

(₹ in Lakhs)

Sl. NO.	Particulars	Note	As at 31st March, 2020	As at 31st March, 2019
<b>I.</b>	<b>ASSETS</b>			
	<b>Non-Current Assets</b>			
	Property, Plant and Equipment	5	4,222.38	4,524.12
	Intangible assets	6	73.77	45.65
	Capital work-in-progress	7	304.27	93.08
	Financial Assets			
	Investments	8	0.06	0.06
	Loans & Deposits	9	78.57	122.60
	Current Tax Assets (Net)		202.06	166.61
			4,881.11	4,952.12
	<b>Current Assets</b>			
	Inventories	10	7,573.48	6,775.88
	Financial Assets			
	Investments	11	2,125.19	544.85
	Trade receivables	12	2,220.56	3,591.45
	Cash and cash equivalents	13	524.73	294.10
	Other Bank Balances	14	9.71	7.43
	Loans	9	27.74	29.48
	Other Current Assets	15	2,367.22	3,675.20
			14,848.63	14,918.39
	<b>Total Assets</b>		<b>19,729.74</b>	<b>19,870.51</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	Equity Share Capital	16	624.00	624.00
	Other Equity	17	10,438.84	8,697.35
			11,062.84	9,321.35
	<b>LIABILITIES</b>			
	<b>Non Current Liabilities</b>			
	Financial Liabilities			
	Long Term Borrowing	18	355.13	355.17
	Deferred Tax Liabilities (Net)	19	83.77	64.31
			438.90	419.48
	<b>Current Liabilities</b>			
	Financial Liabilities			
	Short-Term Borrowings	22	3,235.48	4,529.39
	Trade Payables	21	3,332.14	3,840.48
	Other Financial Liabilities	22	404.16	438.63
	Other Current Liabilities	23	1,243.63	1,277.70
	Provisions	24	12.59	43.48
			8,666.90	10,549.16
	<b>Total Equity and Liabilities</b>		<b>19,729.74</b>	<b>19,870.51</b>

**Significant Accounting Policies**

3

The accompanying notes are an integral part of the Financial Statements.

As per our Report of even date.

**For S. K. Singhania & Co.**  
**Chartered Accountants**  
 Firm Registration No. 302206E

**Rajesh Singhania**  
 Partner  
 Membership No. 52722

 Place: Kolkata  
 Date: 29<sup>th</sup> June, 2020

**For and on behalf of the Board**
**A.K.Mall**  
 Chairman & Managing Director  
 (DIN : 00470184)

**G.K.Mall**  
 Director  
 (DIN : 01043022)

**S.S.Agrawal**  
 Chief Financial Officer

**S. Purakayastha**  
 Company Secretary  
 (ACS : 42302)

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2020**

(₹ in Lakhs)

Sl. NO.	Particulars	Note	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	<b>INCOME</b>			
I	Revenue from operations	25	28,769.09	30,078.76
II	Other Income	26	45.86	18.73
III	<b>TOTAL INCOME</b>		<b>28,814.95</b>	<b>30,097.49</b>
IV	<b>EXPENSES</b>			
	Cost of materials consumed	27A	16,016.21	17,229.87
	Purchase of Traded Goods	27B	1,858.91	2,003.73
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	28	(295.53)	(347.68)
	Employee Benefit Expense	29	1,313.86	1,247.30
	Finance Costs	30	256.68	394.71
	Depreciation and Amortization Expense	5 & 6	563.30	565.17
	Manufacturing and other Operational Expense	31	6,355.98	6,234.90
	Other Expenses	31(a)	368.30	500.54
	<b>TOTAL EXPENSES</b>		<b>26,437.71</b>	<b>27,828.55</b>
V	<b>Profit before exceptional and extraordinary items and tax</b>		<b>2,377.24</b>	<b>2,269.00</b>
	Prior Period Item			
	Exceptional & Extraordinary Items		152.99	-
	Profit before tax		2,530.23	2,269.00
VI	<b>Tax Expense</b>			
	Current tax		599.17	778.56
	Deferred tax		18.27	8.95
	Income Tax for Earlier Years		35.61	(5.14)
			653.05	782.37
			1,877.19	1,486.63
	<b>Add: Adjustment for MAT Credit Receivable</b>		(11.24)	(12.48)
VII	<b>PROFIT FOR THE PERIOD</b>		<b>1,888.43</b>	<b>1,499.11</b>
	<b>Less: Non Controlling Interest</b>		-	-
VIII	<b>PROFIT FOR THE PERIOD</b>		<b>1,888.43</b>	<b>1,499.11</b>
IX	<b>OTHER COMPREHENSIVE INCOME</b>			
	Items that will not be Reclassified to Profit or Loss		-	-
	Income Tax relating to items that will not be Reclassified to Profit or Loss		-	-
	Fair value of Investment / Exchange difference on transaction of foreign operations	33 (b)	23.80	117.53
	Income Tax relating to these items		(6.00)	(31.96)
	Items that will not be reclassified to profit or loss (Re-measurement of post employment benefit obligations)		(19.09)	(14.96)
	Income Tax relating to these items		4.80	5.23
			3.51	75.84
X	<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>1,891.94</b>	<b>1,574.95</b>
	<b>(Comprising Profit and Other Comprehensive Income for the Period)</b>			
XI	<b>Earning per equity share of ₹ 10 each (In ₹)</b>	38		
	Cash		39.58	34.11
	Basic & Diluted		30.26	24.02
	<b>Significant Accounting Policies</b>	3		

The accompanying notes are an integral part of the Financial Statements.

As per our Report of even date.

**For S. K. Singhania & Co.**  
Chartered Accountants  
Firm Registration No. 302206E

**Rajesh Singhania**  
Partner  
Membership No. 52722

Place: Kolkata  
Date: 29<sup>th</sup> June, 2020

For and on behalf of the Board

**A.K.Mall**  
Chairman & Managing Director  
(DIN : 00470184)

**S.S.Agrawal**  
Chief Financial Officer

**G.K.Mall**  
Director  
(DIN : 01043022)

**S. Purakayastha**  
Company Secretary  
(ACS : 42302)

## CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2020

(₹ in Lakhs)

Sl. No.	Particulars	For the Year ended 31.03.2020		For the Year ended 31.03.2019	
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
	<b>Net Profit before Taxation and Extraordinary Items</b>		<b>2,377.24</b>		<b>2,268.78</b>
	Adjustments for :				
	Balances Written Back (Net)	2.42		5.98	
	Depreciation and Amortisation Expense	563.30		565.15	
	Finance Costs	256.68		336.20	
	Interest Income	(3.67)		(5.04)	
	Extraordinary Item				
	Net (gain)/loss on Fair Valuation of Current Investments	152.91		-	
	Remeasurement Gain of DBO/DBP	-		-	
	Profit on sale of Property, Plant & Equipment (Net)/Assets Written Off	(3.51)	968.13	-	902.29
	<b>Operating Profit before Working Capital Changes</b>				<b>3,171.07</b>
	Adjustments for :				
	(Increase)/Decrease in Inventories	(797.60)		(285.13)	
	(Increase)/Decrease in Trade and Other Receivables	2,414.05		(1,527.70)	
	Increase/(Decrease) in Trade & Other Payables & Provisions	(551.73)	1,064.72	1,449.75	(363.08)
	Cash generated from Operations		<b>4,410.09</b>		<b>2,807.99</b>
	Direct Taxes paid (Net of Refunds)		641.81		672.67
	<b>Net Cash from Operating Activities</b>		<b>3,768.28</b>		<b>2,135.32</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
	Interest Income	3.67		5.04	
	Profit on sale of Property, Plant & Equipment (Net)/Assets Written Off	-		-	
	Purchase of Property, Plant and Equipments (Including Capital Work-in-Progress and Advances)	(558.21)		(853.31)	
	Purchases/Proceeds from sale of Investments	(1,580.34)	(2,134.88)	(520.18)	(1,368.45)
	<b>Net Cash from/ (Used in) Investing Activities</b>		<b>(2,134.88)</b>		<b>(1,368.45)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
	Repayment of Long Term Loans	(0.04)		-	
	(Repayment)/ Proceeds from Short Term Borrowings	(1,293.91)		(179.45)	
	Interest and Financial Charges Paid	(256.68)		(336.20)	
	Dividend and Tax paid thereon (Interim, special and Final)	150.45	(1,400.18)	(150.45)	(666.10)
	<b>Net Cash from/ (Used in) Financing Activities</b>		<b>(1,400.18)</b>		<b>(666.10)</b>
	<b>Net Increase/(Decrease) in cash or cash equivalents (A+B+C)</b>		<b>233.22</b>		<b>100.77</b>
	<b>Cash or Cash equivalents at the beginning of the year</b>		<b>301.53</b>		<b>200.76</b>
	<b>Cash or Cash equivalents at the end of the year</b>		<b>534.44</b>		<b>301.53</b>

The accompanying notes are an integral part of the Financial Statements.

### 1 Reconciliation of Financial Liabilities arising from Financing Activities

Particulars	Opening Balance As at 31.03.2019	Financing Cash Flow Changes		Non-Financing Cash Flow Changes		Closing Balance As at 31.03.2020
		Principal	Repayment	Fair Value Changes	Forex Changes	
Short Term Borrowings	4,529.39	-	1,293.91	-	-	3,235.48
Long term Borrowings	355.17	-	-	-	-	355.17

- 2) Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financial activities.  
 3) The above Cash Flow Statement has been prepared under the indirect method set out in Ind AS-7 Statement of Cash Flows.  
 4) For the purpose of Statement of Cash Flow, Cash and Cash Equivalents comprises the followings:

Particulars	As at 31.03.2020	As at 31.03.2019
Balances with Banks	522.01	292.41
Cash in Hand	12.43	9.12
<b>Total</b>	<b>534.44</b>	<b>301.53</b>

As per our Report of even date.

**For S. K. Singhania & Co.**  
 Chartered Accountants  
 Firm Registration No. 302206E

**Rajesh Singhania**  
 Partner  
 Membership No. 52722

Place: Kolkata  
 Date: 29<sup>th</sup> June, 2020

**For and on behalf of the Board**

**A.K.Mall**  
 Chairman & Managing Director  
 (DIN : 00470184)

**G.K.Mall**  
 Director  
 (DIN : 01043022)

**S.S.Agrawal**  
 Chief Financial Officer

**S. Purakayastha**  
 Company Secretary  
 (ACS : 42302)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY** for the year ended 31st March, 2020**A. EQUITY SHARE CAPITAL (Refer Note 16)**

(₹ in Lakhs)

Particulars	Numbers	Amount
Equity Shares of ₹ 10 each, issued, subscribed and fully paid-up		
As at 01.04.2020	6,240,000	624.00
As at 31.03.2019	6,240,000	624.00

**B. OTHER EQUITY (Refer Note 17)**  
For the year ended 31st March, 2020

(₹ in Lakhs)

Particulars	Reserves and Surplus				Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	
<b>Opening Balance as at 01.04.2019</b>	<b>401.49</b>	<b>1,268.12</b>	<b>7,375.00</b>	<b>(347.26)</b>	<b>8,697.35</b>
Profit for the Current Year	-	-	-	1,888.43	1,888.43
Comprehensive Income for the year	-	-	-	3.51	3.51
Total Comprehensive Income for the year	-	-	-	1,891.94	1,891.94
Transfer to/ (from) Retained Earnings	-	-	1,600.00	[1,600.00]	-
Remeasurement of DBP/DBO/Investment	-	-	-	-	-
Dividend	-	-	-	[124.80]	[124.80]
Dividend Distribution Tax	-	-	-	[25.65]	[25.65]
<b>Closing Balance as at 31.03.2020</b>	<b>401.49</b>	<b>1,268.12</b>	<b>8,975.00</b>	<b>(205.77)</b>	<b>10,438.84</b>

## For the year ended 31st March 2019

(₹ in Lakhs)

Particulars	Reserves and Surplus				Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	
<b>Opening Balance as at 01.04.2018</b>	<b>401.49</b>	<b>1,268.12</b>	<b>5,975.00</b>	<b>(367.24)</b>	<b>7,277.37</b>
Profit for the Current Year	-	-	-	1,499.11	-
Comprehensive Income for the year	-	-	-	75.84	-
Total Comprehensive Income for the year	-	-	-	1,574.95	<b>1,574.95</b>
Transfer to/ (from) Retained Earnings	-	-	1,400.00	[1,400.00]	-
Remeasurement of DBP/DBO/Investment	-	-	-	[4.52]	[4.52]
Dividend	-	-	-	[124.80]	[124.80]
Dividend Distribution Tax	-	-	-	[25.65]	[25.65]
<b>Closing Balance as at 31.03.2019</b>	<b>401.49</b>	<b>1,268.12</b>	<b>7,375.00</b>	<b>(347.26)</b>	<b>8,697.35</b>

As per our Report of even date.

**For S. K. Singhanian & Co.**  
Chartered Accountants  
Firm Registration No. 302206E

**Rajesh Singhanian**  
Partner  
Membership No. 52722

Place: Kolkata  
Date: 29<sup>th</sup> June, 2020

For and on behalf of the Board

**A.K.Mall**  
Chairman & Managing Director  
[DIN : 00470184]

**S.S.Agrawal**  
Chief Financial Officer

**G.K.Mall**  
Director  
[DIN : 01043022]

**S. Purakayastha**  
Company Secretary  
[ACS : 42302]

## Notes to Financial Statements for the year ended March 31, 2020

### 1. Group Information

Mallcom (India) Limited (MIL or 'the Company') is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on BSE Limited, which is a recognized stock exchange in India. The registered office of the Company is located at EN-12, Sector-V, Salt Lake City, Kolkata-700091.

These consolidated financial statements (CFS) are approved and adopted by the Board of Directors of the Company in its meeting dated 29th June 2020. The comprise of the financial statements of Mallcom (India) Limited and its subsidiaries - Mallcom Safety Pvt. Ltd.

and Mallcom VSFT Gloves Pvt. Ltd. which are incorporated in India. The effect of intra group transactions between the company and its subsidiaries are eliminated on Consolidation.

The Group is engaged in the manufacture, export and distribution of a wide range of Personal Protective Equipment (PPE).

For Company's Principal Share Holders refer note no. 16.

### 2. Principles of Consolidation

The Subsidiaries considered in the preparation of these Consolidated Financial Statements are:

Name of the Subsidiary Company	Principal Activity	Country of Incorporation	% Shareholding	
			As at 31.03.2020	As at 31.03.2019
Mallcom Safety Pvt. Ltd	Dealers in Personal Protective Equipment(PPE)	India	100	100
Mallcom VSFT Gloves Pvt. Ltd	Manufacturer & Exporter of Nitrile Dipped & Other Synthetic Gloves	India	100	100

The Consolidated Financial Statements of the Group are prepared on following basis:

- The Consolidated Financial Statements are prepared in accordance with Ind AS 110- "Consolidated Financial Statements" notified under section 133 of the Companies Act, 2013, read together with rule 7 of the Companies (Accounts) Rules, 2014.
- The Financial Statements of the Company and its Subsidiary Companies are combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating Intra-group balances and intra-group transactions and resulting unrealized profits or losses in accordance with Ind AS 110.
- The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's Standalone Financial Statements.
- The Financial Statements of the Company and its Subsidiaries used in the consolidation are drawn up to the same reporting date i.e. 31st March, 2020.

### 3. Significant accounting policies

#### a) Basis of Measurement

The consolidated financial statements are prepared on

historical cost convention on accrual basis except for insurance claims which are accounted for on cash/acceptance basis due to uncertainty of realization.

The financial statements are presented in Indian Rupees ("INR") and all values are rounded to the nearest Lakhs, except otherwise indicated.

#### b) Subsidiaries

- Subsidiaries are entities over which the Group has control and the Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its:
  - Power over the investee
  - Exposure or rights to variable returns from its involvement with the investee
  - The ability to use its power over the investee to affect its returns Subsidiaries are consolidated from the date control over the subsidiary is acquired and they are discontinued from the date of cessation of control.
- The Group combines the financial statements of the Company and its subsidiaries based on a line-by-line consolidation by adding together the book value of like items of assets and liabilities, revenue and expenses as per the respective financial statements. Intra group

balances, intra group transactions and the unrealized profits on stocks arising out of intra group transaction have been eliminated.

- iii. The consolidated financial statements are prepared using uniform accounting policies for similar material transactions and other events in similar circumstances otherwise as stated elsewhere.
- iv. The difference between the costs of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the consolidated financial statements as Goodwill or Capital reserve as the case may be. The said goodwill is not amortised, however it is tested for impairment at each balance sheet date and impairment loss, if any is recognized in the consolidated financial statements.
- v. Non-controlling interest's share of net profit of subsidiaries for the year is identified and adjusted against the revenue of the Group in order to arrive at the net revenue attributable to the owners of the Company. The excess of loss for the year over the non-controlling interest is adjusted in owner's interest.
- vi. Non-controlling interest's share of net assets of subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.

**c) Non-controlling Interest**

Non-controlling interests represent the proportion of income, other comprehensive income and net assets in subsidiaries that is not attributable to the Company's owners.

Non-controlling interests are initially measured at proportionate share on the date of acquisition of the recognised amounts of the acquiree's identifiable net assets. Subsequent to the acquisition, the carrying amount of the non-controlling interests is the amount of the interest at initial recognition plus the proportionate share of subsequent changes in equity.

**d) Property, Plant and Equipment**

Property, Plant and equipment are stated at cost less accumulated depreciation/amortization and impairment, if any. Freehold land not containing mineral reserve is disclosed at cost less impairment, if any. Cost comprises of purchase price and directly attributable cost of acquisition/bringing the asset to its working condition for its intended use (net of credit availed, if any). When significant parts of the plant and equipment are required to be replaced at intervals the company depreciates them separately based on their specific useful lives. Capital work in progress is carried at cost and directly attributable expenditure during construction period which

is allocated to the property, plant and equipment on the completion of project.

Borrowing costs directly attributable to the acquisition/construction of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

**Depreciation and Amortisation**

Depreciation is provided on written down value method over the estimated useful lives of the assets. Leasehold Property are depreciated over their expected lease terms. No depreciation is charged on Freehold land. Estimated useful lives of the assets are as follows:

Nature of Asset	Estimated Useful Lives
Plant & Machinery	13 Years
Building	28 Years
Electric Installations	13 Years
Mould & Dies	13 Years
Furniture & Fixtures	8 Years
Vehicles	6 Years
Office Equipment	3 Years
Computers	1 Years
Computer License	4 Years
Patent Right	4 Years

Depreciation methods, useful lives and residual values and are reviewed, and adjusted as appropriate, at each reporting date.

**e) Intangible Assets**

Intangible assets are stated at cost less accumulated amortization and impairment, if any. Cost comprises of purchase price and directly attributable cost of acquisition/bringing the asset to its working condition for its intended use (net of credit availed, if any) Amortization is provided on a written down value method over estimated useful lives.

The residual values, useful lives and method of depreciation of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised attributable cost of acquisition/ bringing the asset to its working condition for its intended use (net of credit



availed, if any). Such assets, are amortised over the useful life using straight line method and assessed for impairment whenever there is an indication of the same. Depreciation methods, useful lives and residual values and are reviewed, and adjusted as appropriate, at each reporting date.

**f) Derecognition of Tangible and Intangible assets**

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

**g) Impairment of Non-Financial Assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal & external factors. An impairment loss is recognized wherever the carrying amounts of an asset exceed its recoverable amount. The recoverable amount is the greater of the assets' net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. Reversal of impairment loss is recognized immediately as Income in the Statement of Profit and Loss.

**h) Financial Assets and Financial Liabilities**

Financial assets and financial liabilities (financial instruments) are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

The financial assets and financial liabilities are classified as current, if they are expected to be realised or settled within operating cycle of the Group or otherwise these are classified as non-current.

The classification of financial instruments whether to be measured at Amortised Cost, at Fair Value through Profit and Loss (FVTPL) or at Fair Value through Other Comprehensive Income (FVTOCI) depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

**i. Cash & Cash equivalents**

Cash & Cash equivalents consist of Cash on Hand, Cash at Bank, Term Deposits & Cheques in Hand. All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

**ii. Financial Assets and Financial Liabilities measured at amortised cost**

Financial Assets held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortised cost.

The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

The effective interest rate is the rate that discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

**iii. Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognized directly in other comprehensive income.

**iv. For the purpose of para (ii) and (iii) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.**

**v. Financial Assets or Liabilities at Fair value through profit or loss**

Financial Instruments which does not meet the criteria of amortised cost or fair value through other comprehensive income are classified as Fair Value

through Profit and loss. These are recognised at fair value and changes therein are recognized in the statement of profit and loss.

#### vi. Derivative and Hedge Accounting

The Group enters into derivative financial instruments such as foreign exchange forward, swap and option contracts to mitigate the risk of changes in foreign exchange rates in respect of financial instruments and forecasted cash flows denominated in certain foreign currencies. The Group uses hedging instruments which provide principles on the use of such financial derivatives consistent with the risk management strategy of the Group. The hedge instruments are designated and documented as hedges and effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis.

Any derivative that is either not designated as a hedge, or is so designated but is ineffective as per Ind AS 109 "Financial Instruments" is categorised as a financial asset, at fair value through profit or loss. Transaction costs attributable are also recognised in Statement of profit and loss. Changes in the fair value of the derivative hedging instrument designated as a fair value hedge are recognised in the Statement of profit and loss.

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised in other comprehensive income and presented within equity as cash flow hedging reserve to the extent that the hedge is effective.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. Any gain or loss recognised in other comprehensive income and accumulated in equity till that time remains and thereafter to the extent hedge accounting being discontinued is recognised in Statement of profit and loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the Statement of profit and loss.

#### vii. Impairment of financial assets

A financial asset is assessed for impairment at each balance sheet date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

The Group measures the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased

significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables or contract assets that result in relation to revenue from contracts with customers, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

#### viii. Derecognition of financial instruments

The Group derecognises a financial asset or a group of financial assets when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognised in statement of profit and loss.

On derecognition of assets measured at Fair Value through Other Comprehensive Income FVTOCI, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognized in Statement of Profit and Loss.

#### i) Revenue recognition

##### Sales

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincides with delivery.

##### Export Benefits

Export incentives are accounted for on export of goods in the year of export if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim is fulfilled.

##### Interest & Dividend

Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend income is recognized when the shareholders' right to receive payment is established by the balance sheet date.

#### **j) Provisions & Contingent Liabilities**

Provisions are recognized when an enterprise has a present obligation as a result of past event that probably requires an outflow of resources to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. They are reviewed at each balance sheet date and adjusted to reflect the current best estimates

Contingent Liabilities are not provided for and are disclosed by way of notes to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

Contingent assets are not recognised but disclosed in the consolidated financial statements by way of notes to accounts when an inflow of economic benefits is probable.

#### **k) Foreign Currency Transaction**

Foreign currency transactions are recorded in the reporting currency prevailing at the date of the transaction. Realized gains/ losses on foreign exchange transactions during the year are recognized in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currency are translated at the yearend rates and resultant gains/losses from foreign exchange translations are recognized in the Statement of Profit and loss.

Forward Exchange Contracts not intended for trading or speculation purposes.

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense for the year.

#### **l) Equity Share Capital**

An equity instrument is a contract that evidences residual interest in the assets of the Group after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium.

Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

#### **m) Inventories**

Inventories are valued at lower of cost or net realisable value. Cost of inventories is ascertained on 'FIFO' basis. Materials and other supplies held for use in the production of inventories are not written down below cost if the related finished products are expected to be sold at or above cost.

##### **1) Raw Materials, Stores and spares**

These are valued at the lower of cost and estimated net realizable value, after providing for cost of obsolescence and other anticipated losses, wherever, considered necessary.

##### **2) Work-in-progress and Finished Goods**

These include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on First in First out (FIFO) basis.

#### **n) Leases**

##### **Company as lessee**

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset, (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date

on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount [i.e. the higher of the fair value less cost to sell and the value-in-use] is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

#### **The Company as a lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease. For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease. Company adopted Ind AS 116 on Leases w.e.f 1st April 2019.

#### **o) Taxation**

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the income statement except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Tax expense comprises of current tax and deferred 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 recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). 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. Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax is provided 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 are recognised

for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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 utilised. 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 other comprehensive income or in equity). 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.

#### **p) Employee Benefits**

##### **I) Short Term Employee Benefits**

Short term employee benefits, such as salaries, wages, incentives etc. are recognized as expenses at actual amounts, in the Statement of Profit and Loss of the year in which the related services are rendered. Leave not availed in a year can be carried forward up to 30 days.

##### **II) Defined Contribution Plans**

Defined contribution plans are Provident Fund Scheme, Employee State Insurance Scheme and Government administered Pension Fund Scheme for the employees. The company makes monthly contributions towards these funds / schemes, which are recognized in the Statement of Profit & Loss in the financial year to which they relate. There is no obligation other than the monthly contributions.

##### **III) Defined Benefit Plans**

The company has a defined benefit plan for Post-employment benefit in the form of Gratuity for all employees. Contribution on account of gratuity payment is made to the Gratuity Trust. Liability for above defined benefit plan is provided on the basis of actuarial valuation, as at the Balance Sheet date. The actuarial method used

for measuring the liability is the Projected Unit Credit method. Actuarial gain and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

**q) Earnings Per Share**

Basic Earnings per Share is calculated by dividing the net profit or loss after tax for the year attributable to Equity Shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average numbers of equity shares outstanding during the year are adjusted for events of bonus issue, bonus elements in a right issue to existing shareholders and share splits.

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

**r) Segment Reporting**

Segment is identified and reported taking into account the nature of products and services, the different risks and returns and the integral business reporting systems. The Group's primary business segment is Industrial Safety Products. The Industrial Safety Products business incorporates product groups viz. Leather hand Gloves, Industrial Work Garments, Seamless Knitted Gloves, Leather Shoe Upper, Safety Shoes and Nitrile Dipped Gloves, which mainly have similar risks and returns. Thus the Group's business activity falls within a single primary business segment.

**s) Borrowing Costs**

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognised in the Statement of Profit and Loss using the effective interest method.

**t) Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investment. All other investments are classified as long term investments. Current Investments are carried at lower of cost and fair value determined on individual investment basis. Long-terms investments are carried at cost. A provision of diminution is made to recognize a decline, other than temporary, in the value of long-term investments.

**4. Critical accounting judgments, assumptions and key sources of estimation and uncertainty**

The preparation of the consolidated financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgments

and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognised in the year in which the results are known /materialised and, if material, their effects are disclosed in the notes to the consolidated financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the consolidated financial statements have been disclosed below. The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below :

**i. Depreciation / amortisation and impairment on property, plant and equipment / intangible assets.**

Property, Plant and Equipment and Intangible assets are depreciated/amortised on straight-line/written down value basis over the estimated useful lives (or lease term if shorter) in accordance with Group accounting policy, taking into account the estimated residual value, wherever applicable.

The Group reviews its carrying value of its Tangible and Intangible Assets whenever there is objective evidence that the assets are impaired. In such situation Asset's recoverable amount is estimated which is higher of asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount rates which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation / amortisation and amount of impairment expense to be recorded during any reporting period. This reassessment may result in change estimated in future periods.

**ii. Arrangements containing leases and classification of leases**

The Group enters into service / hiring arrangements for various assets / services. The determination of lease and classification of the service/hiring arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

**iii. Claims and Compensation**

Claims including insurance claims are accounted for on determination of certainty of realisation thereof.

**iv. Impairment allowances on trade receivables**

The Group evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment allowance as a result of the inability of the customers to make required payments. The Group bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience. If the financial conditions of the trade receivable were to deteriorate, actual write-offs would be higher than estimated.

**v. Income taxes**

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes.

Deferred Tax for all taxable temporary differences have been given effect to in the consolidated financial

statements. In case of Associates and Joint Venture, the Group being in a position to control the timing of reversal of temporary differences and considering the past trend there being no possibility of such reversal in near future, adjustment for deferred taxation against share of profit attributable to the Group has not been given effect in the consolidated financial statements.

**vi. Defined benefit obligation (DBO)**

Critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose by the Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**vii. Provisions and Contingencies**

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change.

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations/against the Group as it is not possible to predict the outcome of pending matters with accuracy.

The carrying amounts of provisions and liabilities and estimation for contingencies are reviewed regularly and revised to take account of changing facts and circumstances.

**NOTE 5 : PROPERTY, PLANT AND EQUIPMENT**

(₹ in Lakhs)

SL. NO.	Particulars	GROSS BLOCK				DEPRECIATION/AMORTIZATION				NET BLOCK
		Opening as at 01.04.2019	Additions During the year	Deductions/ Adjustments During the year	As at 31.03.2020	Opening as at 01.04.2019	Provisions During the Year	Deductions/ Adjustments During the year	Up to 31.03.2020	As at 31.03.2020
(i)	<b>Tangible Assets</b>									
1	Lease Hold Property	44.91	-	-	44.91	17.12	-	-	17.12	27.79
2	Land	805.69	-	-	805.69	-	-	-	-	805.69
3	Building	1,579.70	30.24	-	1,609.94	327.52	103.51	-	431.03	1,178.90
4	Plant and Equipments	3,155.93	111.53	7.32	3,260.14	989.42	346.25	5.22	1,330.44	1,931.65
5	Electrical Installations	202.12	5.59	-	207.71	72.83	31.88	-	104.71	103.00
6	Mould & Dies	62.37	74.64	-	137.01	23.37	26.27	-	49.64	87.37
7	Furniture & Fixtures	91.43	4.62	-	96.05	44.23	13.18	-	57.41	38.64
8	Vehicles	52.02	-	-	52.02	30.39	6.76	-	37.15	14.87
9	Office Equipments	45.09	6.70	-	51.79	16.59	7.30	-	23.89	27.90
10	Computer Software	30.66	10.65	-	41.31	26.32	8.42	-	34.74	6.57
	<b>SUB Total (A)</b>	6,069.92	243.96	7.32	6,306.56	1,547.79	543.57	5.22	2,086.13	4,222.38

**NOTE 6 : INTANGIBLE ASSETS**

(₹ in Lakhs)

SL. NO.	Particulars	GROSS BLOCK				AMORTIZATION				NET CARRYING AMOUNT
		Opening as at 01.04.2020	Additions During the year	Deductions/ Adjustments During the year	As at 31.03.2020	Opening as at 01.04.201	Provisions During the Year	Deductions/ Adjustments During the year	Up to 31.03.2020	As at 31.03.2020
(ii)	<b>Intangible Assets</b>									
1	Computer License	84.86	-	-	84.86	38.12	18.37	-	56.49	28.37
2	Patent Right	10.06	-	-	10.06	6.57	1.37	-	7.94	2.11
3	Goodwill	43.86	-	-	43.86	-	-	0.57	-	43.29
	<b>SUB Total (B)</b>	138.78	-	-	138.78	44.69	19.73	0.57	64.42	73.77

**NOTE 7 : CAPITAL WORK IN PROGRESS**

(₹ in Lakhs)

SL. NO.	Particulars	GROSS BLOCK				AMORTIZATION				NET CARRYING AMOUNT
		Opening as at 01.04.2019	Additions During the year	Deductions/ Adjustments During the year	As at 31.03.2020	Opening as at 01.04.2019	Provisions During the Year	Deductions/ Adjustments During the year	Up to 31.03.2020	As at 31.03.2020
1	Plant & Equipment	29.44	24.53	29.44	24.52	-	-	-	-	24.54
2	Building	13.70	265.88	13.73	265.8	-	-	-	-	265.85
3	Electrical Installations	1.10	1.07	0.03	-	-	-	-	-	0.03
4	Factory Equipment	-	8.05	-	8.05	-	-	-	-	8.05
5	Computer Software	1.40	5.80	1.40	5.80	-	-	-	-	5.80
	<b>SUB Total (C)</b>	45.64	304.26	45.65	304.25	-	-	-	-	304.27

**NOTE 8: NON-CURRENT INVESTMENTS**  
(Fully paid up except otherwise stated)

(₹ in Lakhs)

Sl. NO.	Particulars	Face Value (In ₹)	As at 31.03.2020		As at 31.03.2019	
			Unit	Value	Unit	Value
1	Investment in Government or Trust Securities [NSC Placed with VAT Authorities]		-	0.06	-	0.06
	<b>Total</b>		-	<b>0.06</b>	-	<b>0.06</b>

**NOTE 9 : FINANCIAL ASSETS - LOANS**

(₹ in Lakhs)

Sl. NO.	Particulars	Non-Current		Current	
		As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
1	(Unsecured and Considered Good) Security Deposit & Earnest Money Deposit	78.57	122.60	-	-
2	Loan & Advances to Staff and Workers	-	-	27.74	29.48
	<b>Total</b>	<b>78.57</b>	<b>122.60</b>	<b>27.74</b>	<b>29.48</b>

**NOTE 10: INVENTORIES (Valued at Lower of Cost or Net Realizable Value)**

(₹ in Lakhs)

Sl. NO.	Particulars	As at 31.03.2020	As at 31.03.2019
1	Raw Material (Includes Goods in Transit ₹ 479.37 lakhs (As at 31.03.2019 ₹ 217.48 lakhs)	4,115.94	3,824.20
2	Work-in-Progress	1,183.86	1,325.32
3	Finished Goods	1,268.47	816.29
4	Stores & Spares	1,005.20	810.07
	<b>Total</b>	<b>7,573.48</b>	<b>6,775.88</b>

**NOTE 11 : INVESTMENTS**

(Fully paid up except otherwise stated)

(₹ in Lakhs)

Sl. NO.	Particulars	Face Value (In ₹)	As at 31.03.2020		As at 31.03.2019	
			Unit	Value	Unit	Value
1	<b>Investments at Amortised Cost</b> <b>QUOTED</b> <b>Bonds</b> Edelweiss Capital Limited , NCD	100,000	250	299.61	500	544.85
2	<b>Investment in Mutual Fund [Debt]</b> L&T Triple Ace Bond Fund -Direct -Growth L&T Banking & PSU Bond Fund-Direct-Growth L&T Short Term Fund-Direct -Growth L&T Money Market Fund-Direct-Growth Nippon India Banking & PSU Bond Fund-Direct -Growth	10.00 10.00 10.00 10.00 10.00	561,200 1,643,232 1,469,649 1,486,061 4,053,205	310.16 305.08 295.93 303.99 610.42	- - - - -	- - - - -
	<b>Total</b>			<b>1,825.58</b>		<b>544.85</b>



**11.1 AGGREGATE CARRYING AMOUNT AND MARKET VALUE OF QUOTED INVESTMENTS**

(₹ in Lakhs)

Particulars	As at 31.03.2020		As at 31.03.2019	
	Aggregate Carrying Amount	Market Value	Aggregate Carrying Amount	Market Value
<b>Quoted Investments:</b>				
In Bonds and Units of Mutual Funds	2,125.19	2,125.19	544.85	544.85
<b>Total</b>	<b>2,125.19</b>	<b>2,125.19</b>	<b>544.85</b>	<b>544.85</b>

**NOTE 12 : TRADE RECEIVABLES**

(₹ in Lakhs)

Sl. NO.	Particulars	As at 31.03.2020	As at 31.03.2019
1	Unsecured : Considered Good	2,220.56	3,591.45
	<b>Total</b>	<b>2,220.56</b>	<b>3,591.45</b>

**12.1 : AGEING OF TRADE RECEIVABLE**

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Within the credit period	2,143.87	3,591.45
1-180 days past due	-	-
More than 180 days past due	76.69	-
<b>Total</b>	<b>2,220.56</b>	<b>3,591.45</b>

**NOTE 13 : CASH AND CASH EQUIVALENTS**

(₹ in Lakhs)

Sl. NO.	Particulars	As at 31.03.2020	As at 31.03.2019
1	Cash in Hand	12.43	9.12
2	Balance with banks	512.30	284.98
	<b>Total</b>	<b>524.73</b>	<b>294.10</b>

**NOTE 14 : OTHER BANK BALANCES**

[₹ in Lakhs]

Sl. NO.	Particulars	As at 31.03.2020	As at 31.03.2019
1	Margin Money (Pledged with Bank)*	9.71	7.43
	<b>Total</b>	<b>9.71</b>	<b>7.43</b>

\* The above amount is provided against issuance of Bank Guarantee by the bank.

**NOTE 15 : OTHER ASSETS**

[₹ in Lakhs]

Sl. NO.	Particulars	As at 31.03.2020	As at 31.03.2019
1	(Unsecured and Considered Good) Advance Recoverable in cash or in kind*	19.99	45.52
2	Advance to Suppliers	691.62	1,574.14
3	MAT Credit Receivable	56.67	-
4	Balance With Revenue Authorities   Indirect Taxes)	1,581.50	2,043.07
5	Prepaid Expenses	17.44	12.47
	<b>Total</b>	<b>2,367.22</b>	<b>3,675.20</b>

\* Includes amount receivable from Related Parties

**NOTE 16 : SHARE CAPITAL**

[₹ in Lakhs]

Sl. NO.	Particulars	As at 31.03.2020	As at 31.03.2019
1	<b>AUTHORIZED CAPITAL</b> 1,00,00,000 Equity Shares of Rs. 10/- each.	1,000.00	1,000.00
		<b>1,000.00</b>	<b>1,000.00</b>
2	<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b> 62,40,000 Equity Shares of Rs. 10/- each fully paid-up	624.00	624.00
	<b>Total</b>	<b>624.00</b>	<b>624.00</b>

**16.1 DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES OF THE COMPANY**

Sl. No.	Name of Shareholders	Name of Shares Held as at 31.03.2020	% of Total paid-up Equity Share Capital	Name of Shares Held as at 31.03.2019	% of Total paid-up Equity Share Capital
1.	AJAY KUMAR MALL	1,025,320	16.43	10,25,320	16.43
2.	KADAMBINI SECURITIES PRIVATE LIMITED.	2,189,606	35.09	21,89,606	35.09
3.	JAY KUMAR DAGA	12,98,494	20.81	12,98,494	20.81
4.	MALLCOM HOLDINGS PRIVATE LIMITED	613,600	9.83	6,13,600	9.83

16.2 The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

16.3 In the event of liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

16.4 As no fresh issue or reduction in capital was made during the current year as well as during the previous period, hence there is no change in the opening and closing capital. Accordingly, reconciliation of share capital has not been given.

16.5 Aggregate number of bonus shares issued, shares issued for consideration other than cash and bought back shares during the period of five years immediately preceding the reporting date:

As at 31.03.2020	As at 31.03.2019
Nil	Nil

16.6 The Equity Shares of the company are listed at BSE Limited and the annual listing fees has been paid for the year.

#### NOTE 17 : OTHER EQUITY

##### Nature of Reserves

##### Capital Reserve

A capital reserve represents the amount, being the purchase price lower than the fair market value of the capital assets acquired by the company and used for the purpose of its business

##### Securities Premium Reserve

Securities Premium Reserve represents the amount received in excess of par value of equity shares of the Company. The same, inter-alia may be utilized by the Company to issue fully paid up bonus shares to its members and buying back the shares in accordance with the provisions of the Companies Act, 2013

##### General Reserve

General Reserve represents the reserve created by apportionment of profits generated during the year or transfer from other reserves either voluntarily or pursuant to statutory requirements. The same is a free reserve and available for distribution.

##### Retained Earnings

Retained Earnings represents the undistributed profits of the company.

#### NOTE 18 : BORROWINGS

(₹ in Lakhs)

Sl. NO.	Particulars	Non-Current Portion	
		As at 31.03.2020	As at 31.03.2019
1	<b>Unsecured Borrowings</b>		
	From Others		
	From Others (Related Parties)	355.13	355.17
	<b>Total</b>	<b>355.13</b>	<b>355.17</b>

19 There is no default in repayment of principal and interest thereon

**NOTE 19 : DEFERRED TAX LIABILITIES (NET)****(₹ in Lakhs)**

Sl. NO.	Particulars	As at 31.03.2020	As at 31.03.2019
1	<b>Deferred Tax Assets:</b> Arising on account of: Expenses allowed for tax purpose when paid	(19.25)	(9.97)
2	<b>Deferred Tax Liabilities:</b> Arising on account of: Depreciation and Amortization	(64.52)	(54.34)
	<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>(83.77)</b>	<b>(64.31)</b>

**Components of Deferred tax Assets/(Liabilities) as at March 31, 2020 are given below:****(₹ in Lakhs)**

Particulars	As at 31.03.2019	Charge/(credit) recognised in profit or loss	Charge/(credit) recognised in other Compre- hensive Income	As at 31.03.2020
<b>Deferred Tax Assets:</b>				
Fair Valuation of financial assets and financial liabilities	(31.96)	-	(6.00)	(37.96)
Provision for post retirement and other employee benefits	16.76	(8.08)	-	8.68
Remeasurement of defined benefit obligations	5.23	-	4.80	10.03
<b>Total Deferred Tax Assets</b>	<b>(9.97)</b>	<b>(8.08)</b>	<b>(1.20)</b>	<b>(19.25)</b>
<b>Deferred Tax Liabilities:</b>				
Fair Valuation (gain)/loss on Investments	-	-	-	-
Timing difference with respect to Property, Plant & Equipment and other intangible assets	(54.34)	(10.19)	-	(64.52)
<b>Total Deferred Tax Assets</b>	<b>(54.34)</b>	<b>(10.19)</b>	<b>-</b>	<b>(55.76)</b>
<b>NET DEFERRED TAX ASSETS/(LIABILITIES)</b>	<b>(64.31)</b>	<b>(18.27)</b>	<b>(1.20)</b>	<b>(83.77)</b>

**NOTE 20 : CURRENT BORROWINGS****(₹ in Lakhs)**

Sl. NO.	Particulars	As at 31.03.2020	As at 31.03.2019
1	<b>SECURED</b>		
	<b>Loan Repayable on Demand</b>		
	Export Packing Credit (Refer Note 20.1)	3,147.66	4,529.39
	Packing Credit Foreign Currency Loan (Refer Note 20.1)	87.82	-
	<b>Total</b>	<b>3,235.48</b>	<b>4,529.39</b>

20.1. Demand Loans from Banks are Secured by hypothecation of all present/future stock and receivables, all present/future fixed assets (excluding Land & Building) and Corporate Guarantee by Kadambini Securities Pvt. Ltd. and Mallcom Holdings Pvt. Ltd. and further Personal guarantee of Managing Director.

**NOTE 21: TRADE PAYABLES**

(₹ in Lakhs)

Sl. NO.	Particulars	As at 31.03.2020	As at 31.03.2019
1	For Supplying of Goods	2,752.73	3,325.31
2	For Supplying of Services	579.41	515.17
	<b>Total</b>	<b>3,332.14</b>	<b>3,840.48</b>

21.1 There were no dues outstanding to the suppliers as on 31.03.2020 registered under the Micro, Small and Medium Enterprises (Development) Act, 2006, to the extent such parties have been identified from the available documents/information. No interest in terms of such Act has either been paid or provided during the year.

**NOTE 22: FINANCIAL LIABILITIES- OTHERS**

(₹ in Lakhs)

Sl. NO.	Particulars	As at 31.03.2020	As at 31.03.2019
1	Security Deposit from Customers, Vendors & Others	404.16	438.63
	<b>Total</b>	<b>404.16</b>	<b>438.63</b>

**NOTE 23: OTHER CURRENT LIABILITIES**

(₹ in Lakhs)

Sl. NO.	Particulars	As at 31.03.2020	As at 31.03.2019
1	Advance From Customers/Suppliers	1121.48	1011.57
2	Sundry Creditor for Services and Expenses	100.79	83.87
3	Statutory Liabilities	21.36	182.26
	<b>Total</b>	<b>1,243.63</b>	<b>1,277.70</b>

**NOTE 24 : SHORT TERM PROVISIONS**

(₹ in Lakhs)

Sl. NO.	Particulars	As at 31.03.2020	As at 31.03.2019
1	<b>Provision For Employee Benefits</b>		
	Gratuity	12.59	8.85
	Other Staff Benefit Schemes (Leave Encashment)	-	34.63
	<b>Total</b>	<b>12.59</b>	<b>43.48</b>

## NOTE 25: REVENUE FROM OPERATIONS

(₹ in Lakhs)

Sl. NO.	Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
1	<b>Sale of Manufactured Goods</b>		
	Leather Gloves	4,614.64	4,820.10
	Textile Garments	8,490.65	8,787.65
	Nitrile Dipped Gloves	2,108.62	3,231.21
	Safety Shoes	9,425.37	9,054.14
	Shoe Upper	601.73	782.09
	Knitted Gloves	128.64	668.04
	Helmet / Facemask	49.61	66.59
	Others	11.12	111.10
		25,430.32	27,520.92
2	<b>Sale of Traded Goods</b>		
	Safety Shoes	1,396.03	285.70
	Nitrile Dipped Gloves	322.47	28.50
	Leather Gloves	166.27	153.50
	Textile Garments	278.68	580.00
	Others	33.06	7.50
		2,196.51	1,055.20
3	Service Exports	-	93.16
4	Job Work Charges	-	26.49
5	Foreign Exchange Gain	164.38	295.54
6	Export Incentives	977.88	1,087.45
		1,142.26	1,502.64
	<b>Total</b>	<b>28,769.09</b>	<b>30,078.76</b>

**NOTE 26: OTHER INCOME**

(₹ in Lakhs)

Sl. NO.	Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
1	Interest	3.67	5.04
2	Profit on sale of Investment	27.21	-
3	Unspent Liabilities & Unclaimed balances Written Back	2.42	5.98
4	Short Term Capital Gain	-	0.44
5	Other Non Operating Income	12.55	7.27
	<b>Total</b>	<b>45.86</b>	<b>18.73</b>

**NOTE 27A : COST OF MATERIALS CONSUMED**

(₹ in Lakhs)

Sl. NO.	Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
a)	<b>Opening Stock</b>	4,619.07	4,681.64
	<b>PURCHASES OF RAW MATERIALS AND STORES</b>		
1	Raw Material [Including Carriage Inward]	14,224.38	14,764.29
2	Stores & Consumables	1,584.34	1,739.22
3	Packing Materials	709.56	663.79
	<b>Sub-total</b>	<b>16,518.28</b>	<b>17,167.30</b>
	<b>Closing Stock</b>	<b>5,121.14</b>	<b>4,619.07</b>
	<b>Cost of Materials Consumed</b>	<b>16,016.21</b>	<b>17,229.87</b>
	<b>Total</b>	<b>16,016.21</b>	<b>17,229.87</b>

**NOTE 27B : PURCHASE OF TRADED GOODS**

[₹ in Lakhs]

Sl. NO.	Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
1	Safety Shoes	1,321.11	1,246.19
2	Nitrile Dipped Gloves	209.32	27.95
3	Leather Gloves	104.63	152.75
4	Textile Garments	194.16	567.55
5	Custom Duty on Purchase	-	2.28
6	Others	29.69	7.01
	<b>Total</b>	<b>1,858.91</b>	<b>2,003.73</b>

**NOTE 28. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS AND TRADED GOODS**

[₹ in Lakhs]

Sl. NO.	Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019	(Increase)/ Decrease
	<b>Closing Stock</b>			
	Work in Progress	1,183.86	1,340.50	156.64
	Finished Goods	1,268.47	808.74	459.73
	Traded Goods	-	7.55	(7.55)
		2,452.33	2,156.79	<b>295.54</b>
	<b>Opening Stock</b>			
	Work in Progress	1,340.50	952.20	388.30
	Finished Goods	816.30	847.78	(31.48)
	Traded Goods	-	9.13	(9.13)
		2,156.80	1,809.12	<b>347.69</b>
	<b>TOTAL</b>	<b>(295.53)</b>	<b>(347.68)</b>	



(₹ in Lakhs)

Sl. NO.	Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>1</b>	<b>Finished Goods</b>		
	Leather Gloves	310.59	20.53
	Textile Garments	148.50	58.04
	Nitrile Dipped Gloves	140.58	248.22
	Safety Shoes	365.89	334.72
	Shoe Upper	95.39	-
	Knitted Gloves	41.35	14.66
	Helmets	21.67	60.00
	Leathers	76.88	-
	Personal Protective Equipments (Others)	60.07	72.57
		<b>1,260.92</b>	<b>808.74</b>
<b>2</b>	<b>Work-in-progress</b>		
	Leather Gloves	103.95	33.90
	Nitrile Dipped Gloves	-	240.75
	Textile Garments	418.83	396.70
	Knitted Gloves	2.98	19.90
	Safety Shoes	-	24.09
	Shoe Uppers	562.86	591.37
	Leather	95.24	33.80
		<b>1,183.86</b>	<b>1,340.51</b>

**NOTE 29: EMPLOYEE BENEFIT EXPENSES**

(₹ in Lakhs)

Sl. NO.	Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
1	Salaries, Wages and Bonus	1,198.95	1,128.89
2	Contribution to Provident and Other Funds	93.19	68.84
3	Leave Encashment	-	(6.89)
4	Staff Welfare Expenses	21.71	56.43
	<b>Total</b>	<b>1,313.86</b>	<b>1,247.27</b>

**NOTE 30: FINANCE COSTS**

(₹ in Lakhs)

Sl. NO.	Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
1	Interest Expenses	189.34	336.20
2	Bank Charges and ancillary borrowing cost	67.34	58.51
	<b>Total</b>	<b>256.68</b>	<b>394.71</b>

**NOTE 31 : MANUFACTURING AND OTHER OPERATIONAL EXPENSES**

(₹ in Lakhs)

Sl. NO.	Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
1	Fabrication & Processing Charges	4,234.65	4,090.98
2	Factory Maintenance	80.16	61.85
3	Labour Charges	348.95	398.88
4	Freight - Export	122.82	201.28
5	Terminal Handling Charges - Export	60.26	62.94
6	Clearing & Forwarding expenses	93.63	111.06
7	Insurance	28.78	21.46
8	Carriage Outward	319.01	91.10
9	Sales Promotion Expenses	318.26	387.08
10	Trade Fair Expenses	27.43	20.08
11	Sales Commission	19.08	32.84
12	Other selling expenses	145.45	179.34
13	Power & Fuel	386.27	415.52
14	Repairs to Buildings	4.66	20.77
15	Repairs to Plant & Machinery	110.17	90.14
16	Security Charges	56.39	49.58
	<b>Total</b>	<b>6,355.98</b>	<b>6,234.90</b>

**NOTE 31(a) : OTHER EXPENSES**

(₹ in Lakhs)

Sl. NO.	Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
1	Rent	33.14	66.88
2	Postage, Telephone & Telex	12.69	16.31
3	Travelling & Conveyance	9.27	105.31
4	Printing & Stationery	16.64	20.23
5	Filing Fees	0.56	1.88
6	Rates & Taxes	8.47	10.67
7	Legal & Professional Fees	55.94	36.86
8	Membership & Subscription	9.21	17.26
9	Directors' Sitting Fees	1.72	1.50
10	Payment to auditors (refer details below)	7.15	4.87
11	Miscellaneous Expenses	211.10	140.60
12	Loss on Foreign Exchange Fluctuation (Net)	-	0.88
13	Loss on sale of Fixed Assets	0.33	-
14	VAT for earlier Years	-	3.90
15	AMC Charges	-	2.25
16	ESI Paid for earlier Years	-	1.55
17	Consultancy Fees	-	0.87
18	General Expenses	-	0.32
19	Irrecoverable Receivables Written OFF	2.09	68.40
	<b>Total</b>	<b>368.30</b>	<b>500.54</b>
	<b>Payment to Auditor As Auditor:</b>		
	Audit Fee	4.12	3.14
	Tax Audit Fee	0.50	0.55
	Certification Charges	0.80	0.85
	Other Services	1.73	0.33
	<b>Total</b>	<b>7.15</b>	<b>4.87</b>

**NOTE 32 : CONTINGENT LIABILITIES (CLAIMS/DEMANDS NOT ACKNOWLEDGED AS DEBT)**

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>a) Contingent Liabilities</b>		
Export bills duly discounted/negotiated under LC and for which acceptance already received and/or moved to bank line (previous years figures relates to Bill drawn under LC only)	158.60	689.52
Outstanding Bank guarantee issued by SBI and CITI Bank	22.41	5.00
Bond under customs issued in the favor of Assistant Commissioner of Customs covering the purchase of imported / indigenous capital goods/ raw materials without payment of Custom duty with respect to 100% E.O.U. for Manufacture of Safety Work Garments	250.00	250.00
Bond cum Legal undertaking issued in favour of Development Commissioner Indigenous capital goods/ raw materials without payment of Custom duty with respect to 100% FSEZ unit	395.00	395.00
Sales Tax demand in respect of earlier years, Which has been disputed by the company	329.86	2.80
Income Tax Demand in respect of earlier years, which has been disputed by the company	86.21	124.79
Service Tax Demand in respect of earlier years which has been disputed by the company	29.50	31.88
Indemnity Bond	290.85	290.85

- b) The company has the following outstanding export forward contracts against the confirmed orders in hand hence no contingent liability has been estimated

Particulars	As at 31.03.2020	As at 31.03.2019
USD	23,71,828.18	33,10,315.35
EURO	24,28,332.45	29,95,800.10

**NOTE 33: EMPLOYEE BENEFITS (REFER NOTE 29)**
**(a) Contribution to defined Contribution Plans recognized as expenses are as under:-**

(₹ in Lakhs)

	Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
1	Providend Fund	55.52	31.70
2	ESIC	19.58	19.92
	<b>Total</b>	<b>75.50</b>	<b>51.62</b>

**(b) Defined Benefit Plan**

**Gratuity** - The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity as per provisions of The Payment of Gratuity Act, 1972. The scheme is funded through approved gratuity trust and is managed by HDFC Standard Life Insurance Co Ltd.

## Disclosure for defined benefit plans based on actuarial reports:

Particulars	[₹ in Lakhs]	
	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>Changes in Defined Benefit Obligations:</b>		
Present value of defined benefit obligation at the beginning of the year	107.54	80.70
Current Service Cost	11.30	9.21
Interest Cost	7.26	6.26
Remeasurements (gains)/losses	6.18	15.47
Benefits paid	(3.18)	(4.09)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>129.09</b>	<b>107.55</b>
<b>Change in Plan Assets:</b>		
Fair value of plan assets at the beginning of the year	88.44	85.4
Expected Return on Plan Assets	5.97	6.62
Remeasurements (gains)/losses	(12.92)	0.51
Contributions	8.85	-
Benefits paid	(3.18)	(4.09)
<b>Fair value of plan assets at the end of the year</b>	<b>87.16</b>	<b>88.44</b>
<b>Fair Value of Planned Assets:</b>		
Fair value of plan assets at the beginning of the year	88.44	85.40
Actual Return on plan assets	(6.95)	7.13
Contributions	8.85	-
Benefits Paid	(3.18)	(4.09)
<b>Fair value of plan assets at the end of the year</b>	<b>87.16</b>	<b>88.44</b>
<b>Actuarial (Gain)/Loss on Planned Assets:</b>		
Actual Return on plan assets	(6.95)	7.13
Expected Return on Plan Assets	(5.97)	(6.62)
<b>Actuarial (Gain)/Loss</b>	<b>(12.92)</b>	<b>0.51</b>
<b>Actuarial (Gain)/Loss recognized:</b>		
Actuarial (gain)/loss- obligation	(6.18)	(15.47)
Actuarial (gain)/loss- plan assets	(12.92)	0.51
Total Actuarial (Gain)/Loss	(19.09)	(14.96)
<b>Actuarial (Gain)/Loss recognized</b>	<b>(19.09)</b>	<b>(14.96)</b>
<b>Outstanding actuarial (gain)/loss at the end of the year</b>		
<b>Experience adjustment:</b>		
Experience Adjustment (Gain)/Loss for Plan Liabilities	2.07	(15.47)
Experience Adjustment (Gain)/Loss for Plan Assets	12.92	(0.51)
<b>Summary of membership data at the date of valuation and statistics based thereon:</b>		
Number of employees	365	356
Total monthly salary	27.23	24.23
Average Past Service(Years)	8.50	8.20
Average Future Service(Years)	20.60	21.40
Average Age(Years)	39.40	38.60
Weighted average duration (based on discounted cash flows) in years	13	13
Average Monthly Salary	<b>7,460</b>	<b>6,806</b>
<b>Expenses Recognized in the statement of Profit and Loss</b>		
Current Service Cost	11.30	9.22
Interest Cost	7.26	6.25
Expected Return on Plan Assets	(5.97)	(6.62)
<b>Expenses Recognized in the statement of Profit and Loss</b>	<b>12.59</b>	<b>8.85</b>

(₹ in Lakhs)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>Expenses Recognized in Other Comprehensive Income (OCI)</b>		
Actuarial (gains)/losses arising from changes in financial assumptions	41.93	19.10
<b>Total recognized in Other Comprehensive Income</b>	<b>41.93</b>	<b>19.10</b>
<b>Total recognized in Total Comprehensive Income</b>	<b>54.52</b>	<b>27.95</b>
<b>Amount recognized in the Balance Sheet consists of</b>		
Present Value of Defined Benefit Obligation	129.09	107.54
Fair Value of Plan Assets	87.16	88.44
Net Liability	41.93	19.10
<b>The Major Categories of Plan Assets as a % of Total Plan</b>		
Qualifying Insurance Policy	100%	100%

**The Principal actuarial assumption used:**

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Discount Rate	6.75% per annum	7.75% per annum
Salary Growth Rate	5.00% per annum	5.00% per annum
Mortality Rate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected Rate Of Return	7.75% per annum	7.75% per annum
Withdrawal Rate (Per Annum)	6.95% p.a	6.95% p.a

The estimates of future salary increases have been considered in actuarial after taking into consideration the impact of inflation, Seniority, promotion and other relevant factors such as supply and demand situation in the employment market. Same assumptions were considered for comparative period i.e 2018-19 as per Ind-AS 19. The Gratuity Scheme is invested in group Gratuity cash accumulation policy offered by HDFC Life Insurance Co Ltd. The gratuity plan is not exposed to any significant risk in view of absolute track record, Investment is as per IRDA guidelines and mechanism is there to monitor the performance of the fund.

**Benefits Valued:**

Normal Retirement Age	60 Years	60 Years
Salary	Terminal Basic Salary (Excluding all other Allowances and Perquisites)	Terminal Basic Salary (Excluding all other Allowance and Perquisites)
Vesting Period	5 Years of Service	5 Years of Service

**Benefits Valued (Continued):**

Normal Retirement Age	60 Years	60 Years
Benefits of Normal Retirement	15/26*Salary Number of Completed Years of Service	15/26*Salary Number of Completed Years of Service
Benefit on early exit due to death and disability	As above except that no vesting conditions apply	As above except that no vesting conditions apply
Limit	2,000,000.00	2,000,000.00

**Current Liability:**

Particulars	2019-20	2018-19
Current Liability	28.50	29.09
Non Current Liability	100.59	78.46
Total Liability	129.09	107.55

\* Because of Overfunding

\* Current Liability: It is probable outlay in next 12 months as required by the Companies Act

**Sensitivity Analysis:**

Assumptions Sensitivity Level	Discount Rate		Salary Growth Rate		Withdrawal Rate	
	1.0% Increase	1.0% Decrease	1.0% Increase	1.0% Decrease	1.0% Increase	1.0% Decrease
Impact on Defined Benefit Obligation (₹ in Lakhs)	75.78	86.28	86.37	75.62	81.53	79.75

The company expects to contribute ₹ 12.59 Lakhs (Previous Year ₹ 8.85 lakhs) to gratuity fund.

The weighted average duration of the defined benefit obligation as at 31.03.2020 is 13 years [ as at 31.03.2019: 15 years].

Estimate of expected benefit payments (In absolute terms i.e. undiscounted).

Particulars	(₹ in Lakhs)
01st April 2020 to 31st March 2021	28.50
01st April 2021 to 31st March 2022	4.83
01st April 2022 to 31st March 2023	4.60
01st April 2023 to 31st March 2024	4.13
01st April 2024 to 31st March 2025	8.60
01st April 2025 Onwards	78.44

**NOTE 34 : SEGMENT REPORTING**

[A] The Company's primary business segment is Industrial Safety Products. The Industrial Safety Products business incorporates product groups viz. Leather hand Gloves, Industrial Work Garments, Seamless Knitted Gloves, Leather Shoe Upper, Safety Shoes and Nitrile Dipped Gloves, which mainly have similar risks and returns. Thus the Company's business activity falls within a single primary business segment.

(B) For the purpose of geographical segments, total sales are divided into India and other countries. The following table shows the distribution of the company's sales by geographical market regardless of where the goods are produced:

(₹ in Lakhs)

Particulars	For the Year ended	For the Year ended
	31.03.2020	31.03.2019
Segment Revenue from Operations:		
Outside India	18,964.22	20,704.96
Within India	9,804.87	9,367.80
<b>Total</b>	<b>28,769.09</b>	<b>30,072.76</b>

(₹ in Lakhs)

Particulars	For the Year ended	For the Year ended
	31.03.2020	31.03.2019
Trade Receivables:		
Outside India	1,940.37	2,966.57
Within India	280.19	546.47
<b>Total</b>	<b>2,220.56</b>	<b>3,513.04</b>

The company has common fixed assets for producing goods for domestic and export markets. Hence, Separate figures for fixed assets/additions to fixed assets are not furnished.

#### NOTE 35: RELATED PARTY DISCLOSURE (AS PER IND AS 24- RELATED PARTY DISCLOSURES)

a) Associates	<ul style="list-style-type: none"> <li>i) Kadambini Securities Pvt. Ltd. [KSPL]</li> <li>ii) Mallcom Holdings Pvt. Ltd. [MHPL]</li> <li>iii) Movers Construction Pvt. Ltd. [MCPL]</li> <li>iv) Chaturbujh Impex Pvt. Ltd. [CIPL]</li> <li>v) DNB Exim Pvt. Ltd. [DNB]</li> <li>vi) Two Star Tannery Pvt. Ltd. [TSTPL]</li> <li>vii) Best Safety Pvt. Ltd [BSPL]</li> <li>viii) SSR Enterprises Pvt. Ltd. [SSR] (formerly Vikram Traders Pvt. Ltd.)</li> <li>ix) Mallcom Lexotic Exports Pvt. Limited [MLEPL]</li> <li>x) Anmol Components Pvt. Ltd. [ACPL]</li> <li>xi) Trencher Online Services Private Limited [TOSPL]</li> </ul>
b) Key Managerial Personnel	<ul style="list-style-type: none"> <li>i) Mr. Ajay Kumar Mall (Managing Director)</li> <li>ii) Mr. Shyam Sundar Agrawal (Chief Financial Officer)</li> <li>iii) Ms. Shuvanki Purkayastha (Company Secretary) [Ms. Twinkle Pandey in FY. 2018-2019]</li> </ul>
c) Relatives of Key Managerial Personnel	<ul style="list-style-type: none"> <li>i) Mr. Sanjay Kumar Mall</li> <li>ii) Mrs. Sunita Mall</li> <li>iii) Mr. Giriraj Mall</li> <li>iv) Mr. Rohit Mall</li> <li>v) Ms. Kiran Devi Mall</li> <li>vi) Mrs. Preeti Mall</li> <li>vii) Ms. Surabhi Mall</li> </ul>

## d) Transaction with related parties during the year and balance outstanding at the year end:

(₹ in Lakhs)

Type of Transaction	Transaction with associates referred to in (a) above		Transaction with Key Managerial (KMP) referred to in (b) above		Relatives of Key Managerial referred to in (c) above	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Sale of goods & services	774.80	1,065.59	-	-	-	-
Purchase of goods & services	2,994.62	3,410.24	-	-	-	-
Job Work Charges paid	-	-	-	-	-	-
Advance Given	-	-	-	-	-	-
Security Deposit / Advance	306.38	9.07	-	-	-	-
Unsecured Loan & Advance Repaid	-	7.91	-	-	-	-
Remuneration **	-	-	56.81	52.27	-	10.20
Dividend Paid	75.07	75.07	20.51	20.51	6.75	6.75
Rent (including service charges) Paid	54.00	54.00	-	-	-	-

\*\*As the future liability of gratuity is provided on actuarial basis for the company as a whole, the amount pertaining to the related party is not included above.

## e) Details of compensation paid to KMP during the year are as follows:

(₹ in Lakhs)

Particulars	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Short-term employee benefits	53.18	48.77
Post-employment benefits*	3.63	3.50
Other long-term benefits*	-	-

\* Post-employment benefits and other long-term benefits have been disclosed based on actual payment made on retirement/resignation of services, but does not includes provision made on actuarial basis as the same is available for all the employees together.

## NOTE 36: INCOME TAX EXPENSE

(₹ in Lakhs)

Particulars	For the Year ended 31.03.2020	For the Year ended 31.03.2019
1 Current Tax	599.17	778.56
2 Deferred Tax		
- Relating to origination and reversal of temporary differences	18.27	8.95
<b>Tax Expense attributable to Current Year's/Period's Profit</b>	<b>617.44</b>	<b>787.51</b>
3 Adjustments in respect of Income Tax of Earlier Years	35.61	(5.14)
<b>Income Tax Expense reported in the Statement of Profit and Loss</b>	<b>653.05</b>	<b>782.01</b>
<b>Current Tax related to items recognized in Other Comprehensive Income during the year/period</b>		
4 Net (gain)/Loss on remeasurement of defined benefit plan	(4.52)	26.73
<b>Income Tax Charged to Other Comprehensive Income</b>	<b>(4.52)</b>	<b>26.73</b>



### NOTE 37: FINANCIAL INSTRUMENTS

The accounting classification of each category of financial instrument, their carrying amount and fair value are as follows:-

(₹ in Lakhs)

Particulars	As at 31.03.2020		As at 31.03.2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets (Current and Non-Current)</b>				
<b>Financial Assets measured at Amortised Cost</b>				
Trade Receivables	2,220.56	2,220.56	3,591.45	3,591.45
Cash and Cash Equivalents	524.73	524.73	294.10	294.10
Other Bank Balances	9.71	9.71	7.43	7.43
Loans	106.31	106.31	152.76	151.76
<b>Financial Assets measured at Fair Value through Profit and Loss Account</b>				
Investment in Equity Instruments and Bonds	2,125.19	2,125.19	545.24	545.24
<b>Financial Liabilities (Current and Non-Current)</b>				
<b>Financial Liabilities measured at Amortised Cost</b>				
Borrowings	3,590.61	3,590.61	4,884.56	4,884.56
Trade Payables	3,332.14	3,332.14	3,840.48	3,840.48
Other Financial Liabilities	404.16	404.16	438.63	438.63

#### Fair Valuation Techniques

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

The fair value of cash and cash equivalents, current trade receivables and payables, current financial liabilities and assets and borrowings approximate their carrying amount largely due to the short-term nature of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/amortised cost in the financial statements approximate their fair values.

A substantial portion of the company's long-term debt has been contracted at floating rates of interest, which are reset at short intervals. Fair value of variable interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost. In respect of fixed interest rate borrowings, fair value is determined by using discount rates that reflects the present borrowing rate of the company.

Investments (Other than Investments in Associates, Joint Venture and Subsidiaries) traded in active market are determined by reference to the quotes from the stock exchanges as at the reporting date. Investments in liquid and short-term mutual funds are measured using quoted market prices at the reporting date multiplied by the quantity held. Quoted Investments for which quotations are not available have been included in the market value at the face value/paid up value, whichever is lower except in case of debentures, bonds and government securities where the net present value at current yield to maturity have been considered. Unquoted investments in shares have been valued based on the historical net asset value as per the latest audited financial statements.

#### Derivative financial assets and liabilities:

The Company follows established risk management policies, including the use of derivatives to hedge its exposure to foreign fluctuations on foreign currency assets/liabilities. The counter party in these derivative instruments is a bank and the company considers the risks of non-performance by the counter party as non-material.

The following tables present the aggregate contracted principal amounts of the company's derivative contracts outstanding:

Underlying Purpose	Category	As at 31.03.2020		As at 31.03.2019		Currency
		No. of deals	Amount in Foreign Currency	No. of deals	Amount in Foreign Currency	
Export Receivables	Forward	16	2,371,828.18	19.00	3,310,315.35	USD/INR
Export Receivables	Forward	21	2,428,336.45	17.00	2,995,800.10	EURO/INR

**FINANCIAL RISK FACTORS**

The Company's activities and exposed to variety of financial risks. The key financial risks includes market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The board of Directors reviews and approves policies for managing these risks. The risks are governed by appropriate policies and procedures and accordingly financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

**MARKET RISK**

Market risk is the risk or uncertainty arising from possible market fluctuations resulting in variation in the fair value of future cash flows of a financial instruments. The major components of Market risks are currency risk, interest rate risk and other price risk. Financial instruments affected by market risk includes trade receivables, borrowings, investments and trade and other payables.

**FOREIGN CURRENCY RISK**

Foreign Currency risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency denominated borrowings, trade receivables and trade or other payables.

The Company has adopted a comprehensive risk management review system wherein it actively hedges its foreign exchange exposures within defined parameters through use of hedging instruments such as forward contracts. The Company periodically reviews its risk management initiatives and also takes experts advice on regular basis on hedging strategy.

**INTEREST RATE RISK**

The company's exposure in market risk relating to change in interest rate primarily arises from floating rate borrowing with banks and financial institutions. Borrowings at fixed interest rate exposes the company to the fair value interest rate risk.

**NOTE 38: EARNING PER SHARE (EPS)****A. Basic and Diluted EPS:**

Particulars		[₹ in Lakhs]	
		For the Year ended 31.03.2020	For the Year ended 31.03.2019
Profit or Loss attributable to ordinary Equity Shareholders	₹ in Lakhs	1,888.43	1,499.11
Equity Share Capital	₹ in Lakhs	624.00	624.00
Weighted average number of equity shares outstanding (Face value Rs 10/- per share)	Nos.	6,240,000	6,240,000
Earnings Per Share- Basic and Diluted	₹	30.26	24.02

B. Cash EPS: [Profit for the year+Depreciation and Amortisation Expense+Deferred tax]/Weighted average number of equity shares outstanding-

**OTHER PRICE RISK**

The Company's equity exposure in Subsidiaries are carried at cost or deemed cost and these are subject to impairment testing as per the policy followed in this respect. The company's current investments which are fair valued through profit and loss are not material. Accordingly, other price risk of the financial instrument to which the company is exposed is not expected to be material.

**CREDIT RISK**

The credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables). The management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and ageing of accounts receivable. Individual risk limits are set accordingly and the company obtains necessary security including letter of credits and/or bank guarantee to mitigate.

The carrying amount of respective financial assets recognised in the financial statements, (net of impairment losses) represents the company's maximum exposure to credit risk. The concentration of credit risk is limited due to the customer base being large and unrelated. Of the trade receivable balance at the end of the year (other than subsidiaries), there are no single customer accounted for more than 10% of the accounts receivable and 10% of revenue as at March 31, 2020 and March 31, 2019

**LIQUIDITY RISK**

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's objective is to maintain optimum level of liquidity to meet it's cash and collateral requirements at all times. The company's assets represented by financial instruments comprising of receivables are largely funded against borrowed funds. The company relies on borrowings and internal accruals to meet its fund requirements. The current committed line of credit are sufficient to meet its short to medium term fund requirement.

### NOTE 39: OPERATING LEASES

The company has taken certain premises on lease for 3 years to 99 years. There are no subleases.

Particulars	₹ in Lakhs	
	2019-20	2018-19
Lease payment for the year	13.63	13.54
Minimum Lease payment not later than 1 year	14.48	13.54
Later than one year but not later than Five years	4.22	17.93
Later than Five years	35.37	32.32

**NOTE 40:** There were no dues outstanding to the suppliers as on 31.03.2020 registered under the Micro, Small and Medium Enterprises (Development) Act, 2006, to the extent such parties have been identified from the available documents/information. No interest in terms of such Act has either been paid or provided during the year.

**NOTE 41:** In the opinion of the management and to the best of their knowledge and belief, the value of realization of loans and advances and other current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.

**NOTE 42:** Provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility (CSR) is applicable in case of the company. The Company was required to incur a minimum amount of ₹ 22.14 Lakhs being two percent of average net profits of the company made during the three immediately preceding financial years as calculated as per section 198 of the Companies Act, 2013. The company has incurred a sum of ₹ 34.00 Lakhs in the year and the excess amount was duly approved by the CSR Committee, Audit Committee and the Board. All the expenses have been incurred in cash.

**NOTE 43:** Figures less than Rs.50,000 have been shown actual, wherever statutorily required to be disclosed, as the figures have been rounded off to the nearest Lakhs.

**NOTE 44:** The Company has considered the possible effects that may arise out of the still unfolding COVID-19 pandemic on the carrying amounts of Property, Plant & Equipment, Intangible Assets, Investments, Inventories, Trade Receivables etc.

For this purpose the company has considered internal and external sources of information up to the date of approval of the financial results including credit reports and related information, economic forecasts, market value of certain investments etc. Based on the current estimates the company doesn't expect any significant impact on such carrying values.

**NOTE 45:** The Board of Directors has recommended dividend of ₹ 2/- per equity shares [previous year ₹ 2/-] of ₹ 10/- each for the year ended 31st March, 2020.

**NOTE 46:** These Financial Statements have been approved by Board of Directors of the Company on 29th June 2020 for issue to the shareholders for their adoption.

The accompanying notes are an integral part of the Financial Statements.

As per our Report of even date.

**For S. K. Singhania & Co.**  
Chartered Accountants  
Firm Registration No. 302206E

**Rajesh Singhania**  
Partner  
Membership No. 52722

Place: Kolkata  
Date: 29<sup>th</sup> June, 2020

**For and on behalf of the Board**

**A.K.Mall**  
Chairman & Managing Director  
(DIN : 00470184)

**S.S.Agrawal**  
Chief Financial Officer

**G.K.Mall**  
Director  
(DIN : 01043022)

**S. Purakayastha**  
Company Secretary  
(ACS : 42302)





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