

Ref: MIL/AB/BSE/NSE/22

Date: August 26, 2022

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| The Manager Corporate Relationship Department BSE Limited 1 st Floor, New Trading Wing, Rotunda Building, P J Towers, Dalal Street, Fort, Mumbai - 400001 | The Manager Listing Department National Stock Exchange of India Limited Exchange Plaza, 5 th Floor, Plot No. C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400051 |
| BSE Security Code: 539400 | NSE Symbol: MALLCOM |

Dear Sir/Madam,

Sub: Submission of Notice of the 38th Annual General Meeting of Mallcom (India) Ltd alongwith the Annual Report for the Financial Year ended March 31, 2022

Pursuant to Regulation 30 read with Part A (Para A) of Schedule III and Regulation 34(1)(a) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), we hereby enclose the **Notice of the 38th Annual General Meeting of Mallcom (India) Ltd** to be held on **Monday, September 19, 2022 at 11.00 A.M. (IST)** through Video Conferencing or Other Audio Visual Means and the Annual Report of the Company for Financial Year ended March 31, 2022 respectively.

The said Notice which forms part of the Annual Report for the Financial Year ended March 31, 2022 is being sent only through e-mails to the shareholders of the Company at their registered e-mail addresses and the same has also been uploaded on the website of the Company under the web-link https://www.mallcom.in/financial-performance#Annual_Report_2021-2022

This is for your information and record.

Thanking you,

Yours faithfully

For MALLCOM (INDIA) LTD

Mallcom (India) Limited



Company Secretary

Anushree Biswas

Company Secretary & Compliance Officer

Encl.: As above





MALLCOM (INDIA) LIMITED

CIN: L51109WB1983PLC037008

Reg. off: EN-12, Sector-V, Salt Lake City, Kolkata-700 091

Tel : +91-33-40161000, Fax : +91-33-40161010

Website : www.mallcom.in, E-mail : investors@mallcom.in

NOTICE

Notice is hereby given that the 38th Annual General Meeting ('AGM') of the members of Mallcom (India) Limited ('the Company') will be held on Monday, 19th September, 2022, at 11.00 a.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business. The Venue of the meeting shall be deemed to be the registered office of the Company at Mallcom Tower, EN-12, Sector-V, Salt Lake City, Kolkata – 700091:

ORDINARY BUSINESS:

1. To receive, consider and adopt
 - a) Audited Financial Statements of the Company for the financial year ended 31st March, 2022 together with the Reports of Board of Directors and Auditors thereon.
 - b) Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2022 together with the Report of Auditors thereon.
2. To declare Dividend on equity shares of the Company for the Financial Year ended on 31st March, 2022.
3. To appoint a Director in place of Mr. Giriraj Kumar Mall (DIN 01043022), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

1. To Provide loan or guarantee or security in connection with loan availed by any of the company's subsidiary(ies) or any other person specified under section 185 of the companies act, 2013.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Section 185 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Meeting of Board and its Powers) Rules, 2014 (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof

for the time being in force), consent of the Members of the Company, be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include, unless the context otherwise required, any Committee of the Board or any Director(s) or Officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) for giving loan(s) in one or more tranches including loan represented by way of book debt (the "Loan") to, and/or giving of guarantee(s), and/or providing of security(ies) in connection with any Loan taken/ to be taken by any entity which is a Subsidiary or Associate or Joint Venture or group entity of the Company or any other person in which any of the Director of the Company is deemed to be interested (collectively referred to as the "Entities"), up to a sum not exceeding Rs. 20 crores [Rupees Twenty Crores Only] at any point in time, in its absolute discretion where it deems beneficial to and in the best interest of the Company."

RESOLVED FURTHER THAT the powers be delegated to the Board of the Company and the Board is hereby authorised to negotiate, finalise agree the terms and conditions of the aforesaid loan/guarantee/security and to do all such acts, deeds and things as may be necessary and incidental including signing and/or execution of any deeds/documents/ undertakings/agreements/papers/writings for giving effect to this Resolution."

For Mallcom (India) Ltd.

Registered Office:

EN-12, Sector-V,
Salt Lake City.
Kolkata-700 091

Place: Kolkata

Dated: 30th May, 2022

Sd/-

Shuvanki Purakayastha

Company Secretary

Membership No. A42302

NOTES:

1. In view of the ongoing COVID-19 pandemic and pursuant to General Circulars No. 14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, No. 20/2020 dated May 5, 2020, No. 02/2021 dated January 13, 2021, No. 21/2021 dated December 14, 2021 and No. 2/2022 dated May 5, 2022 issued by the Ministry of Corporate Affairs (collectively referred to as 'MCA Circulars'), the Company is convening the 38th AGM through Video Conferencing ('VC') or Other AudioVisual Means ('OAVM'), without the physical presence of the Members. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company at EN-12, Sector-V, Salt Lake, Kolkata – 700 091, which shall be deemed venue of the AGM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting during the 38th AGM of the Company.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Shareholders who would like to express their views during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/ folio number, email id, mobile number at investors@mallcom.in latest by 4 p.m. (IST) on Thursday, 15th September, 2022. Only those shareholders who have registered themselves as a speaker and confirmed by Company will only be allowed to express their views/ask questions during the meeting. Shareholders who have queries may send their questions in advance mentioning their name, demat account number/ folio number, email id, mobile number at investors@mallcom.in latest by 4 p.m. (IST) on Thursday, 15th September, 2022.
6. When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good internet speed.
7. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.
8. In line with the Ministry of Corporate Affairs (MCA) Circular No.17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.mallcom.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and NSE at www.nseindia.com. AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com. Since the AGM will be held through VC / OAVM Facility, the Route Map is not annexed to this Notice.
9. The Register of Members and the Share Transfer books of the Company will remain closed from Tuesday, 13th September, 2022 to Monday, 19th September, 2022 (both days inclusive).
10. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 concerning the business under Item No. 4 of the Notice, is annexed.
11. Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with the relevant circulars and amendments thereto ('IEPF Rules'), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred Rs. 24,790/- being the unpaid and unclaimed dividend amount pertaining to the Final Dividend for the Financial Year 2013-2014 on 5th October, 2021. The detail of the same is available on the website of the Company at www.mallcom.in.
12. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
13. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the website of the Company www.mallcom.in. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to Niche Technologies Private Limited in case the shares are held in physical form.
14. The Securities and Exchange Board of India (SEBI) has mandated furnishing of PAN, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by holders of securities. Effective from 1st

January 2022, any service requests or complaints received from the member, will not be processed by RTA till the aforesaid details/ documents are provided to RTA. On or after 1st April 2023, in case any of the above cited documents/ details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s).

15. As per Regulation 40 of SEBI Listing Regulations, as amended SEBI has mandated for transfer of securities only in dematerialized mode except in case of transmission or transposition of securities w.e.f. 1st April, 2019. Hence the shareholders are advised to dematerialize shares held by them in physical form.
16. Additional Information, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the Directors seeking re-appointment at the AGM, is furnished as annexure to the Notice. Requisite declarations have been received from the Director seeking re-appointment.
17. Members may also note that this Notice and the Annual Report for 2021-22 can be downloaded from the Company's website www.mallcom.in.
18. **Dividend Related Information:**

Dividend, if approved, will be paid to those shareholders whose names appear in the Register of Shareholders as at close of business hours on Monday, 12th September, 2022. Members may note that as per the Income Tax Act, 1961 CIT Act"), as amended by the Finance Act, 2020, dividends paid or distributed by the Company after April 1, 2020, shall be taxable in the hands of the shareholders and the Company shall be required to deduct tax at source (TDS) at the prescribed rates from the dividend to be paid to shareholders, subject to approval of dividend by the shareholders in the ensuing AGM. The TDS rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Company. In order to enable the Company to determine the appropriate TDS rate as applicable, members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act.

- a) For Resident Shareholders, TDS is required to be deducted at the rate of 10% under Section 194 of the Income Tax Act, 1961 on the amount of dividend declared and paid by the Company in the FY 2021-22 provided valid PAN is registered by the members. If the valid PAN is not registered, the TDS is required to be deducted at the rate of 20% under Section 206AA of the Income Tax Act, 1961. However, no tax shall be deducted on the dividends paid to resident individuals if aggregate dividend distributed or likely to be distributed during the FY 2021-22 does not exceed Rs. 5000. In the cases where the members provide valid Form 15G (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H (for individual above the age of 60 years with no tax liability on total income), no TDS shall be deducted. In order to avail the benefit of non-deduction of tax at source members are requested to mail the same to the RTA's email address at

nichetechpl@nichetechpl.com or to the Company's email address at investors@mallcom.in.

NIL /lower tax shall be deducted on the dividend payable to following resident shareholders on submission of self-declaration as listed below:

- i. Insurance companies: Declaration by shareholder qualifying as Insurer as per section 2(7A) of the Insurance Act, 1938 along with self-attested copy of PAN card;
 - ii. Mutual Funds: Declaration by Mutual Fund shareholder eligible for exemption u/s 10(23D) of the Income- tax Act, 1961 along with self- attested copies of registration documents and PAN card;
 - iii. Alternative Investment Fund (AIF) established in India: Declaration that the shareholder is eligible for exemption under section 10(23FBA) of the Act and they are established as Category or Category II AIF under the SEBI regulations. Copy of self-attested registration documents and PAN card should be provided.
 - iv. New Pension System Trust: Declaration along with self attested copy of documentary evidence supporting the exemption and self-attested copy of PAN card.
 - v. Other shareholders - Declaration along with self-attested copy of documentary evidence supporting the exemption and self attested copy of PAN card.
 - vi. Shareholders who have provided a valid certificate issued u/s. 197 of the Act for lower/ nil rate of deduction or an exemption certificate issued by the income tax authorities along with Declaration.
- b) For Non-resident shareholders, (including Foreign Portfolio Investors) Tax is required to be withheld in accordance with the provisions of Section 195 and section 196D of the Act at applicable rates in force. As per the relevant provisions of the Act, the tax shall be withheld @ 20% (plus applicable surcharge and cess) on the amount of dividend payable. However, as per Section 90 of the Act, a non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the country of tax residence of the shareholder, if they are more beneficial to the shareholder. For this purpose, i.e. to avail the tax treaty benefits, the non-resident shareholder will have to provide the following:
- i. Self-attested copy of PAN card, if any, allotted by the Indian income tax authorities;
 - ii. Self-attested copy of Tax Residency Certificate ("TRC") obtained from the tax authorities of the country of which the shareholder is resident;
 - iii. Self-declaration in Form 10F, if all the details required in this form are not mentioned in the TRC;
 - iv. Self-declaration by the non-resident shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement (Non-resident

having PE in India would need to comply with provisions of section 206AB of the IT Act);

- v. In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested copy of SEBI registration certificate;
 - vi. In case of shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidences demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA).
- c) Note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non- Resident shareholder.

Section 206AB of the Act:

Rate of TDS @10% u/s 194 of the Act is subject to provisions of section 206AB of Act (effective from 1 July 2021) which introduces special provisions for TDS in respect of non-filers of income-tax return. As provided in section 206AB, tax is required to be deducted at higher of following rates in case of payments to specified persons:

- at twice the rate specified in the relevant provision of the Act;
- or
- at twice the rate or rates in force; or
 - at the rate of 5%.

Where sections 206AA and 206AB are applicable i.e. the specified person has not submitted the PAN as well as not filed the return; the tax shall be deducted at the higher of the two rates prescribed in these two sections.

The term 'specified person' is defined in sub section (3) of section 206AB who satisfies the following conditions:

- A person who has not filed the income tax return for two previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing of return of income under section 139(1) of the I-T Act has expired; and
- The aggregate of TDS and TCS in this case is = 50,000 or more in each of these two previous years.

The non-resident who does not have the permanent establishment is excluded from the scope of a specified person. Members are requested to inform us well in advance and before cutoff date if you are covered under the definition of 'specified person' as provided in section 206AB of the IT Act. The Company reserves its right to recover any demand raised subsequently on the Company for not informing the Company or providing wrong information about applicability of Section 206AB in your case.

19. The Notice of AGM and Annual Report are being sent in electronic mode to Members whose e-mail address is

registered with the Company or the Depository Participant(s). Members (Physical/ Demat) who have not registered their email addresses with the company can get the same registered with the company by requesting in member update form by sending an email to nichetechpl@nichetechpl.com and investors@mallcom.in. Please submit duly filled and signed member update form to the abovementioned email. Upon verification of the Form the email will be registered with the Company.

20. All documents referred to in the accompanying Notice and the Explanatory Statement can be obtained for inspection by writing to the Company at its email ID investors@mallcom. in till the date of AGM. The annual accounts of the subsidiary companies along with the related detailed information are available for inspection at the Corporate Office of the Company and of the subsidiaries concerned and copies will be made available to Shareholders upon request.
21. Members who are present in meeting through video conferencing facility and have not cast their vote on resolutions through remote e-voting, shall be allowed to vote through e-voting system during the meeting.

Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by ICSI, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 38th AGM by electronic means and the business may be transacted through e-Voting.
- II. The facility of casting the votes by the members using remote electronic voting system as well as electronic voting on the day of AGM will be provided by National Securities Depository Limited (NSDL). The e-voting period commences on Friday, 16th September, 2022 and ends on Sunday, 18th September, 2022. During this period, members holding shares either in physical or in dematerialized form, as on the cut-off date of Monday, 12th September, 2022 may cast their vote by e-voting. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Monday, 12th September, 2022
- III. Members, who are present in meeting through video conferencing facility and have not casted their vote on resolutions through remote e-voting, shall be allowed to vote through e-voting system during the meeting

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

- A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode in terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. |
| |  <p>NSDL Mobile App is available on  App Store  Google Play</p>   |
| Individual Shareholders holding securities in demat mode with CDSL | <ol style="list-style-type: none"> Existing users who have opted for Easi/Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/loginor www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://www.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

- B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-into NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****. |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your "initial password"?
 - (i) If your email ID is registered in your demat account or with the company, your "initial password" is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your "initial password".
 - (ii) If your email ID is not registered, your "initial password" is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to smd.deepak@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. 12th September, 2022, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of

the Notice and holding shares as of the cutoff date i.e. 12th September, 2022 may follow steps mentioned in the Notice of the AGM under Step 1 : "Access to NSDL e-Voting system" (Above).

3. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
4. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user ID and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card) by email to investors@mallcom.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card) to investors@mallcom.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

The Instructions for Members for e-voting on the Day of the AGM are as Under:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

Instructions for Members for attending AGM through VC/OAVM are as under:

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Members who need assistance before or during the AGM, can contact NSDL at evoting@nsdl.co.in or call 1800 1020 990 / 1800 22 44 30.

Other Instruction

1. The voting rights of members shall be in proportion to their share of the paid up equity share capital of the Company as on 12th September, 2022. A person who is not a member as on cut-off date should treat this notice for information purpose only.
2. Any person, who acquires shares of the Company and becomes a member after dispatch of the notice and holding shares as of the cutoff date i.e. 12th September, 2022 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.
3. M/s. Rakhi Dasgupta & Associates, practicing company secretaries (M. No. 28739, C.P. No. 20354), has been appointed as the Scrutinizer to scrutinize the voting at the Annual General Meeting and remote e-voting process in a fair and transparent manner.
4. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through e-voting in the presence of at least two witnesses not in the employment of the Company and shall submit, not later than 48 (forty eight) hours from conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
5. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.mallcom.in and on the website of NSDL (www.evoting.nsdl.com) after the declaration of result. The results shall also be immediately forwarded to the stock exchange viz. BSE, where the shares are listed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

The Company may have to render support for the business requirements of its Subsidiary Companies or Associate or Joint Venture or group entity or any other person in whom any of the Director of the Company is deemed to be interested (collectively referred to as the "Entities"), from time to time. However, owing to certain restrictive provisions contained in Section 185 of the Companies Act, 2013 ('the Act'), the Company is unable to extend financial assistance by way of loan to such Entities. The Board of Directors seek consent of the Members by way of a Special Resolution pursuant to Section 185 of the Act (as amended by the Companies (Amendment) Act, 2017) for making loan(s) or providing financial assistance or providing guarantee or securities in connection with the loans taken or to be taken by the Entities for the capital expenditure of the projects and/or working capital requirements including purchase of fixed assets as may be required from time to time for the expansion of its business activities and other matters connected and incidental thereon for their principal business activities.

The Members may note that Board of Directors would carefully evaluate proposals and provide such loan, guarantee or security through deployment of funds out of internal resources/accruals and/or any other appropriate sources, from time to time, only for principal business activities of such Entities.

The Board of Directors recommend the resolution given in this Notice for your approval as a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company or any of their relatives, are concerned or interested in the above proposed resolution, except to their equity holdings and Directorships in the Company, if any.

Annexure to Item Nos. 3 of the Notice

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting [Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

| | |
|---|---|
| Name of the Director | Mr. Giriraj Kumar Mall |
| Date of Birth | 26.11.1967 |
| Nationality | Indian |
| Date of Appointment | 19.06.2021 |
| Qualification | M.B.A and M.S. |
| Brief Profile and Expertise in Specific Area | He has been actively working in the field of Occupational Health and Safety for more than 18 years. He is also in the Executive Committee of CII (ER)-Safety Task Force, and Safety Appliance Manufacturers' Association (SAMA) and member of American Society for Quality Control (ASQC). His techno-commercial expertise has played a pivotal role in the Company to foray into various manufacturing activities. |
| Shareholding in Company (includes both legal and beneficial ownership of the share) | 47,823 |
| Number of Board Meetings attended during the year 2021-22 | 4 |
| Directorships held in other public companies | NIL |
| Memberships/Chairmanships of committees of other public companies | NIL |
| Relationship with other Director | Relative of Mr. Ajay Kumar Mall, Chairman, Managing Director & CEO. |
| Remuneration details | NIL |

For Mallcom (India) Ltd.

Sd/-
Shuvanki Purakayastha
 Company Secretary
 Membership No. A42302

Registered Office:

EN-12, Sector-V,
 Salt Lake City,
 Kolkata-700 091

Place: Kolkata

Dated: 30th May, 2022



SAFETY FIRST



Mallcom India Limited
Annual Report 2021-22

The Company is prepared to capitalise
on a sweeping global movement
towards holistic protection

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Forward-looking statement

This document contains statements about expected future events and financial and operating results of Mallcom India Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Mallcom India Limited Annual Report 2021-22.

SAFETY FIRST

At Mallcom India Limited, 'safety first' is not just a reference to the products we manufacture.

It is also a tradition to the de-risked way we have selected to do business.

Translating into sustainable growth and value creation for all our stakeholders.

Our performance highlights, FY 21-22

370.04

₹ Crore, Revenues

30.84

₹ Crore, PAT

13.24

%, EBITDA margin

20.74

%, RoCE

PART 1

WHAT WE ARE

AND WHAT WE DO



CORPORATE SNAPSHOT

Mallcom India Limited.

An increasingly relevant company in a sensitised world.

Bringing scale to its business as India's leading personal protective equipment company.

Expansive footprint through its presence in more than 50 countries across six continents.

Robust financial discipline evident through an under-borrowed Balance Sheet.

Enhancing prospects of scalability, sustainability and value for all stakeholders.

Our ethos

Vision and mission



Vision: Mallcom's vision is to become the most trusted brand for all personal protective equipment across the globe. Mallcom actively attempts to achieve this by relentlessly working towards innovating new products, responsibly serving the stakeholders, and sustainably increasing its presence.

Mission: Mallcom's mission is to continue its unwavering commitment to its mission of keeping the active doers safe in their workplaces. Mallcom believes it is the people who make organisations and help in the growth of the nation, for this reason, it is imperative to keep people safe in their environments. Mallcom aims to solve this by using Design Thinking to create smart and comfortable PPEs for its clients.

Values



Commitment: At Mallcom, our attempt is to stay committed to all our stakeholders, be it colleagues, suppliers, associates or clients.



Ownership: Mallcom believes in creating entrepreneurs by creating a conducive environment for growth along with responsibility.



Integrity: Integrity has been the foundation of our core values. This value is ingrained in each decision taken by Mallcom and its employees.

Our pedigree

Incorporated in 1983, Mallcom (India) Ltd is a prominent personal protective equipment (PPE) brand in India. In the last four decades, the Company has established itself as an integrated manufacturer and distributor of head-to-toe protection equipment and a trusted partner of global brands. To comply with a rapidly evolving environment, Mallcom customises products, deepening its relevance.

Our presence

Mallcom has invested in manufacturing facilities across West Bengal, Uttarakhand and Gujarat and headquarters in Kolkata. The Company's products are distributed in MENA, Asia and SDAC (Southern African Development Community) by more than 80 distributors and to importers and brand owners across 50 countries in six continents.

Our manufacturing facilities

Mallcom's manufacturing units cover 500,000 sq. ft. of built-up area across industrial parks, special economic zones (SEZ) and export-oriented units (EOU). The Company manufactures more than 12 Million pairs of leather gloves, 2.8 Million of knitted gloves, 3 Million shoes, 0.6 Million of helmets, 2.2 Million of apparel, 150 Million masks and 14 Million+ of nitrile

gloves annually. The in-house leather tannery has 10 leather tanning drums with automatic leather splitting machine along with 3 heat processes.

Our quality assurance

Mallcom's products and manufacturing facilities are accredited with ISO, SA, SEDEX and Fair Wear certifications; its laboratories are compliant with European, American and Indian regulatory requirements.

Employees

Mallcom is a company possessing a mix of competencies comprising professionals specialised in design, manufacture, materials, business development, finance, compliance, sales and marketing, among others. As on 31 March, 2022, Mallcom comprised 2890 employees; average employee age was 37. Nearly 32% employees had been with the Company for five years or more, enhancing stability.

Our product portfolio

Mallcom provides a comprehensive protective solution, comprising products like helmets, garments, rainwear, eye wear, face masks, shoes, gloves (nitrile, latex, neoprene and leather). Mallcom is the only company within the Indian personal protective sector with an expertise in diverse materials like leather, rubber, textile and polymers.

Certifications

The Company's products are certified with European, American, and Indian regulations, which are applicable at a global level.

Awards and certifications

- 6 Exports Excellence Awards by Council of Leather Exports
- 3 Energy Conservation Awards by CII
- 3 National Productivity Awards
- Recognition by Apparel Export Promotion Council
- CSR Award by Economic Times
- Export Performance Award by FIEO
- Rating: ICRA A

Affiliation

- Federation of Indian Export Organisations (FIEO)
- AEPC (Apparel Export Promotion Council)
- Confederation of Indian Industry (CII)
- CLE India (Council of Leather Exporters)
- Safety Appliances Manufacturers Association (SAMA)

Mallcom brings to customers an adequate installed capacity (per annum)



12
Million pairs of leather gloves



2.8
Million pairs of knitted gloves



3
Million pairs of shoes



0.6
Million units of helmets



2.2
Million units of workwear

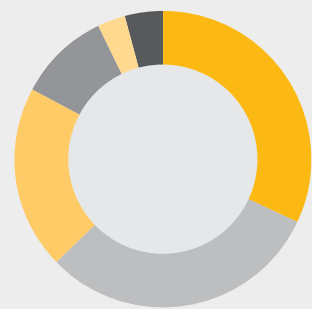


150
Million units masks

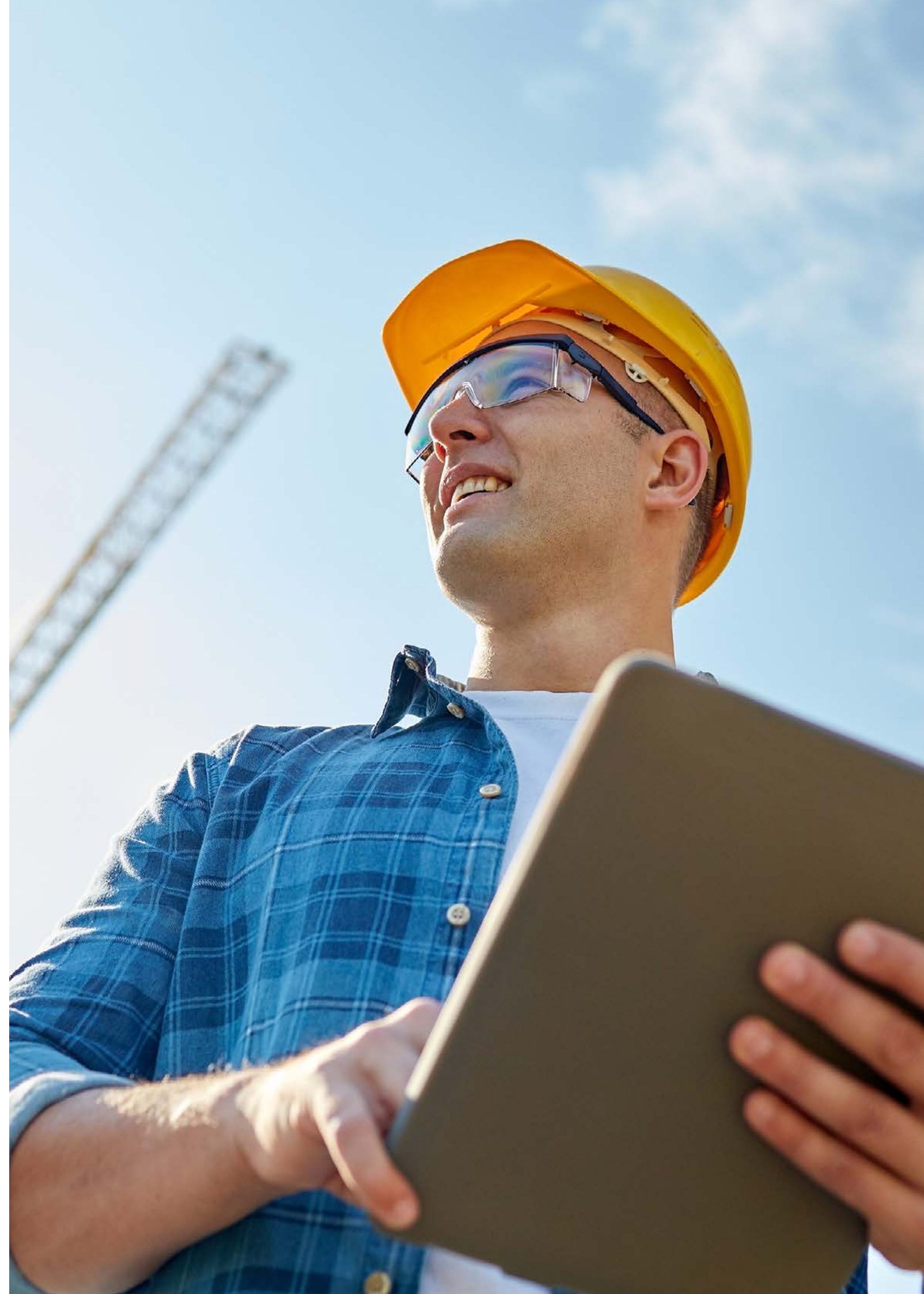


14
Million+ of nitrile gloves pairs

Revenues by product type



- Safety shoes: 32%
- Garments: 31%
- Leather gloves: 20%
- Nitrile gloves: 10%
- Knitted gloves: 3%
- Others: 4%



HOW ARE WE TRANSFORMING OVER THE YEARS

1983: Incorporated in Kolkata as a private limited legal entity

1986: Entered into the global PPE market with the export of leather gloves to Europe

1990: Set up a greenfield project for manufacturing and exporting workwear; company recognised as an export house

1996: Set up a 100% export-oriented unit for manufacturing and exporting seamless knitted gloves

1997: Introduced an 'Offer for Sale' for 25% equity of the Company; listed on Calcutta and Delhi Stock Exchange

1998: Set up 100% export oriented unit at Falta SEZ for manufacturing and exporting industrial safety shoes under a joint venture with DPG, France

2001: Set up 100% export oriented unit at Falta SEZ for manufacturing and exporting nitrile-dipped gloves and industrial workwear

2005: Commenced the domestic marketing of the entire range of personal protective equipment, including industrial safety shoes, under its own brand

2009: Shifted corporate office to a 30,000 sq. ft. eco-friendly premises in the IT hub of Kolkata

2014: First Indian company to provide a complete PPE range following the launch of fall protection gear

2015: Listed on the BSE

2017: Sponsored Shiva Keshavan and Mehuli Ghosh (10M rifle shooting) and Manasi Joshi (para badminton) as a part of its CSR initiative

2018: Undertook energy conservation through solar and biomass energy initiatives

2020: Launched helmets, rainwear and face mask (among other value-added products) under the broader PPE range

2021: Expanded production to Gujarat and within West Bengal

2022: Listed on the NSE

MALLCOM SERVICES THE NEEDS OF SOME OF THE MOST RESPECTED AND DEMANDING INSTITUTIONAL CUSTOMERS IN INDIA AND THE WORLD

| | | | | |
|--|--|---|--|--|
|  IndianOil |  Reliance |  Nestlé |  INDIAN RAILWAYS |  ITC Limited |
|  TATA |  TITAN Automation Solutions |  SYMBIOTEC PHARMALAB (P) LIMITED |  Dickies |  Hero |
|  V-GUARD |  MICHELIN |  ROYAL ENFIELD |  CEAT |  Honeywell |
|  DAIMLER |  KANSAI NEROLAC PAINTS LIMITED |  BRITANNIA Eat Healthy. Live Better. |  vedanta transforming for good |  CATERPILLAR |

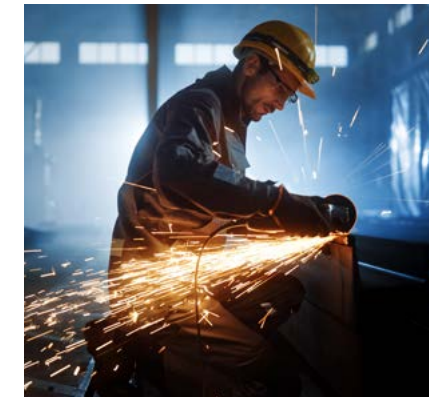
THE INDUSTRIES WE SERVE



Construction and civil



Material handling



Manufacturing



Automobile and auto ancillaries



Health care

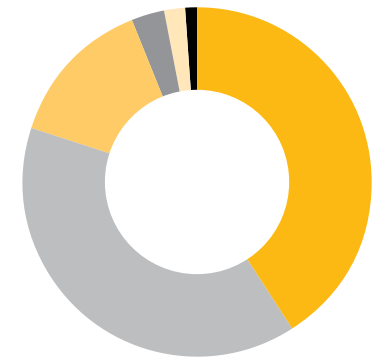


Logistics and transportation

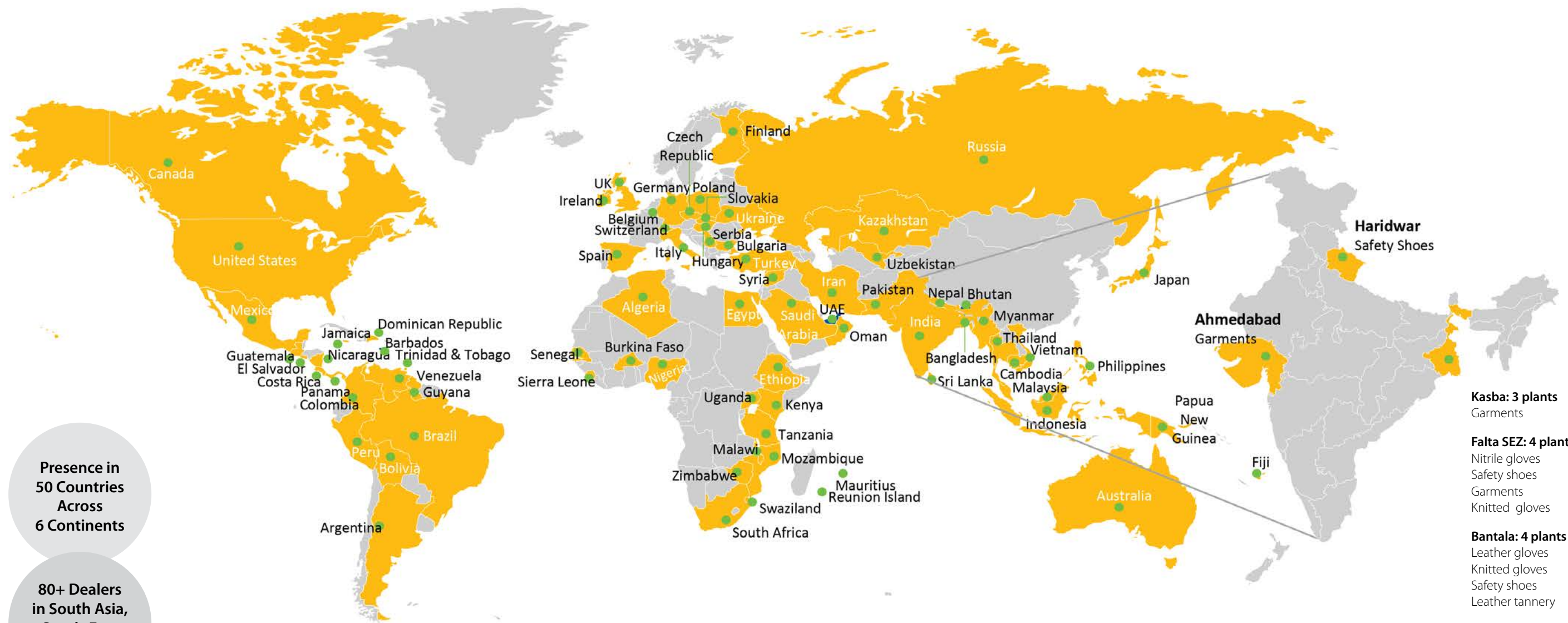


Engineering

MALLCOM PRODUCTS ARE SOLD IN MORE THAN 50 COUNTRIES ACROSS SIX CONTINENTS



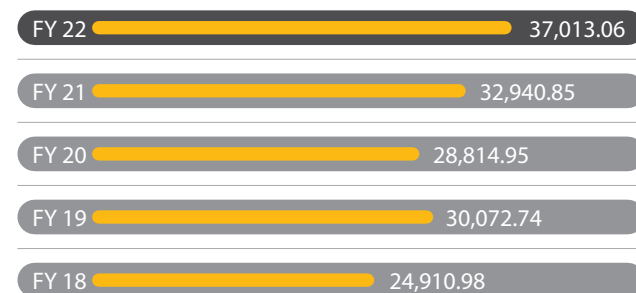
■ Europe: 41% ■ USA: 3%
■ India: 39% ■ Asia: 2%
■ South America: 14% ■ Australia: 1%



*Please note that maps are not to scale

HOW MALLCOM HAS GROWN ACROSS THE YEARS

Revenues (₹ Lakh)



Definition

Growth in sales net of taxes

Why this is measured

It is an index that showcases the Company's ability to maximise revenues, which provides a basis against which the Company's success can be compared with sectoral peers.

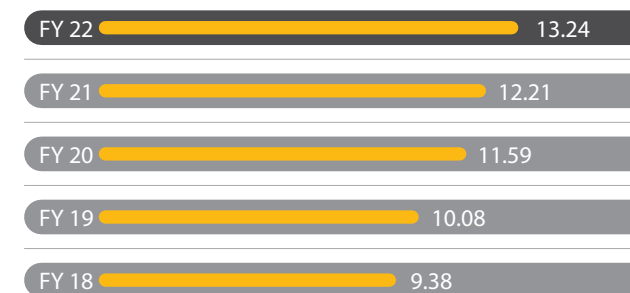
What this means

Aggregate sales increased 12.47% to ₹36,703.79 Lakh in FY 21-22.

Value impact

Improved product offtake enhanced the Company's respect and provided increased room to cover fixed costs.

EBITDA margin (%)



Definition

EBITDA margin is a profitability measure to ascertain a company's operating efficiency

Why this is measured

The EBITDA margin provides an idea of how much a company earns (before accounting for interest and taxes) on each rupee of sales.

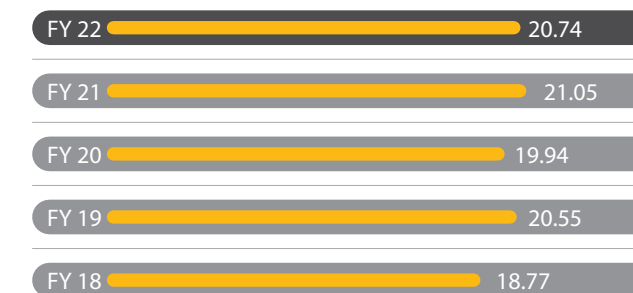
What this means

This measure demonstrates the buffer in the business, which, when multiplied by scale, can enhance the surplus.

Value impact

The Company reported a 103 bps increase in EBITDA margin in FY 21-22

ROCE (%)



Definition

This is a financial ratio that measures efficiency with which capital is employed in the business.

Why this is measured

ROCE is an insightful metric to compare profitability across companies based on their respective capital efficiency.

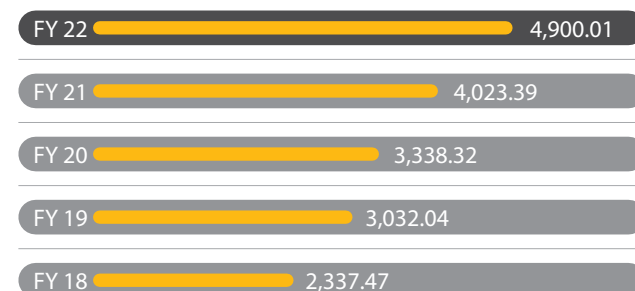
What this means

Enhanced ROCE can potentially drive valuations and market perception.

Value impact

The Company reported a 20.74% in RoCE in FY 21-22, which was largely around the level of the previous year.

EBITDA (₹ Lakh)



Definition

Earnings before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax)

Why this is measured

It is an index that showcases the Company's ability to generate a surplus after optimising operating costs, providing a base for comparison with sectoral peers.

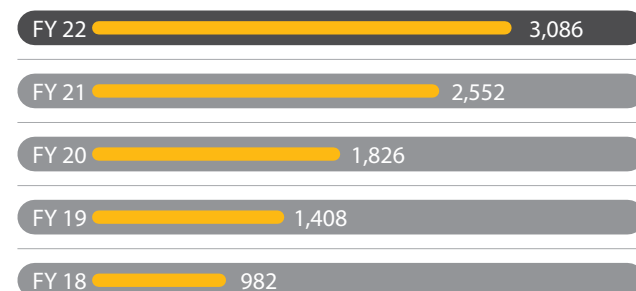
What this means

Helps create a robust growth surplus-generating engine that catalyses reinvestment.

Value impact

The Company reported a 21.8% increase in EBITDA in FY 21-22, an outcome of enhanced scale and improved efficiency

Net profit (₹ Lakh)



Definition

Profit earned during the year after deducting all expenses and provisions

Why this is measured

It highlights the strength of the business model in enhancing value for shareholders.

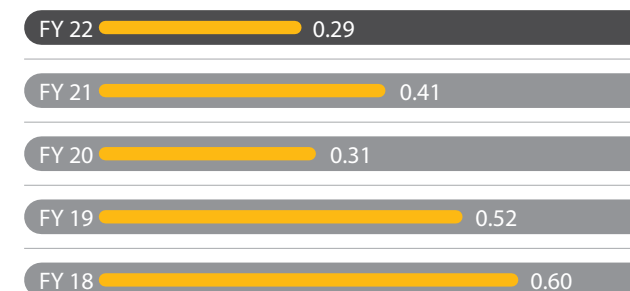
What this means

This ensures that adequate cash is available for reinvestment, leading to business sustainability.

Value impact

The Company reported an improvement in net profit in FY 21-22, reflecting the growing attractiveness of the business model.

Gearing (x)



Definition

This is the ratio of debt to net worth (less revaluation reserves)

Why this is measured

This is one of the defining measures of a company's financial health. This indicates the ability of the Company to remunerate shareholders over debt providers (the lower the gearing the better).

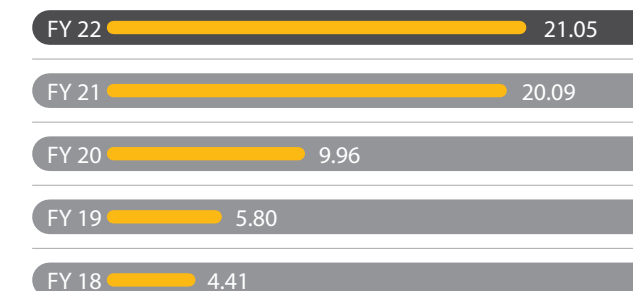
What this means

This indicates whether the Company is positioned to enhance shareholder value

Value impact

The Company's gearing stood at 0.29 in FY 21-22 compared to 0.41 in FY 20-21. This ratio should ideally be read in conjunction with net debt/operating profit (a reduction indicating greater ease in terms of servicing debt).

Interest cover (x)



Definition

This is derived through the division of EBITDA by interest outflow

Why this is measured

Interest cover indicates the profit buffer available within the Company to service interest – the higher the better.

What it means

A company's ability to meet its interest obligations, an aspect of its solvency, is arguably one of the most important measures in assuring shareholder returns.

Value impact

The Company strengthened its interest cover from 20.09 in FY 20-21 to 21.05 in FY 21-22.

A firefighter in full gear, including a helmet and jacket, stands in a fire station. He is surrounded by fire hoses and equipment. The scene is dimly lit, with a warm, golden light highlighting the firefighter and the hoses. The firefighter is looking directly at the camera with a serious expression. He is holding a piece of equipment in his hands. The background shows wooden beams and various firefighting tools.

PART 2

PERSPECTIVES

AND INSIGHTS

MANAGING DIRECTOR'S OVERVIEW



Ajay Mall,
Managing Director

WE ARE OPTIMISTIC OF THE LONG-TERM PROSPECTS OF OUR COMPANY TO ACHIEVE ₹ 1,000 CRORE IN REVENUES ACROSS FIVE YEARS, ENHANCING STAKEHOLDER VALUE

Overview

I am proud to present our record performance for FY 21-22, which was timed with the lifting of the lockdown and the waning of the pandemic.

I will focus on where the Company is and where it is headed to assure our shareholders that they have made the right decision as shareowners of our Company.

The big message that I need to communicate is that India's personal protection sector is passing through an inflection point and your Company is attractively placed to capitalise on this unprecedented opportunity.

This optimism is reflected in the profitable growth reported during the last financial year.

Revenues grew 12.33% to a record ₹370 Crore; EBITDA growth was higher at 13.24% while PAT increased 20.74% to ₹30.84 Crore, the highest in the Company's existence. These numbers validate the robustness of the Company's business model and capacity to deliver a proportionately higher bottom-line growth for every increase in revenue.

This growth in absolute numbers was also accompanied by improved financial hygiene. The Company reported a 103 bps increase in EBITDA margin to 13.24%, the highest in recent years. The fact that the Company's gearing strengthened from 0.41 to 0.29 indicates that the business is being grown progressively through net worth. The increase in interest cover from 20.09 to 21.05 is a measure of our enhanced liquidity. The Company reported

a cash profit of ₹41.17 Crore during the year under review, a sizable corpus available for reinvestment. The Company finished with ₹27.64 Crore of cash on its books as on 31 March, 2022, a robust foundation on which to build the business, address wider opportunities and grow faster.

This performance improvement was creditable as it came in the face of unprecedented operational challenges, marked by lockdowns, slower demand flow, supply chain disruption, prohibitive shipping freight, decline in the availability of containers and inflation.

Inflection point

The capacity of the Company to address challenges and report a record performance was in no small measure

attributed to the global and national under-current presently under way in favour of personal protection equipment.

There are number of factors catalysing this movement.

One, the greater focus on governance the world over is resulting in a deeper respect for companies that are invested in mishap and accident-deterrence. The lower this incidence the larger the message going out to the world that the Company in question cares for holistic sustainability, cherishes the safety of its people and is committed to business continuity.

Two, the world is watching instances of corporate accidents and mishaps more closely than ever, partly because the numbers, incidents and precautions are being reported more extensively in Annual Reports, helping create an overarching culture of precaution.

Three, the engagement of vendors, especially in the business of infrastructure creation, has laid out unambiguous guidelines related to the use of personal protection equipment.

Four, the widening spread of insurance has defined tighter guidelines on how on-site and shopfloor workers need to be protected; this has extended the perception of protection from the helmet to other equipment.

Five, the rising cost of worker compensation and a greater awareness of the rights of workers is enhancing the use of protection equipment – from a personal preference on the part of the employer to a trade union demand.

Six, the role of credit rating is taking factors like worker safety into account. This means that worker safety, on-site integrity and general housekeeping are playing a critical role in influencing ratings, which, in turn, influences the cost at which growth funds are available to a company.

Seven, the pandemic has brought the word 'protection' into centre-stage with a spin-off benefit extending from the personal to the industrial and the application of the word from a limited personal connotation to holistic well-being.



Eight, it is increasingly proven that an enhanced safety perception increases worker confidence and security, which enhances productivity, linking the use of personal protection equipment with HR and finance priorities.

Nine, multi-national companies entering India are bringing their international standards into the country, catalysing the demand for protective equipment.

Ten, stringent statutory compliance requirement and stricter certification bodies are widening the PPE market.

Eleven, the growth of the workforce size (added 2.27 Lakh contractual employees in FY 21-22) and more women entering the sector (women in the flexi workforce at 27% in FY 21-22) are widening the need for personal protective equipment.

In view of these irreversible developments, we believe that the personal protection sector is entering a new age; it is no longer peripheral to business but intrinsic; it no longer pays lip service but catalyses the well-being of a company's most precious asset (people).

The India moment

One of the biggest transformations the world over is happening right here in India – for various reasons.

India is also at an inflection point, at the cusp of graduating from a reasonable growth in its manufacturing sector (15% of GDP) to a stated desire to increase this to around 25% by FY 24-25.

India's prospective growth is being driven by the announcement of long-term policies across most sectors, catalysing manufacturing investments and leading to the prospect of a capital expenditure 'tsunami' (in the words of one of India's biggest industrialists). The larger the capital investment, the greater the use of personal protection equipment.

The Budget FY 22-23 made a decisive break from the past when it announced a 35% increase in infrastructure outlay. We see this announcement as the beginning of an enabling virtuous cycle where the creation of more roads (for instance) could cascade into diversified infrastructure spending by private players.

India has entered into Free Trade Agreements with various countries (and rising), which, by the virtue of 8-10% duty advantage, could leverage the country's position as a competitive global manufacturing location of personal protection equipment.

An increasing push to become 'Atma Nirbhar' (self-reliant) has led to an investment in raw materials such as leather, technical textiles and chemicals, which has enhanced their use in value-added items.

India is attractively poised to capitalise on the China-plus-one phenomenon, marked by countries seeking to moderate their excessive dependence on China for supplies.

Poised to capitalise

At Mallcom, we are poised to capitalise on these inflection moments – global and sectorial.

The Company is among select companies engaged in the manufacture of quality personal protection equipment, an existing foundation on which to scale the business

It is engaged in enhancing infrastructure – in Gujarat (completed) and West Bengal (ongoing) – that broadbases its geographic footprint, positions it closer to downstream customers and provides it with access to export gateways.

It intends to enhance research investments with the objective to develop a larger products range, strengthening head-to-toe protection.

It intends to access a wider range of materials to enhance product features and functionality, addressing a wider spectrum of downstream sectors and applications.

It intends to enhance the production of value-added products, addressing increasingly sophisticated applications.

It will seek respect-enhancing certifications, strengthening customer confidence.

It will strengthen its eco-system of material providers and product outsourcing partners, marked by the capacity to deliver increased quantities benchmarked with world-class standards.

How the world is transforming towards a greater protection priority

- Greater respect for companies invested in mishap and accident-deterrence
- Greater reporting of corporate accidents and mishaps in Annual Reports
- Engagement of vendors based on safety practices
- Widening spread of insurance and tighter guidelines
- Rising cost of worker indemnity and compensation
- Credit rating taking worker safety into account
- Pandemic has enhanced 'protection' recall
- Enhanced safety increases worker confidence and productivity
- Reforms evolving users from unorganised to organised
- Multi-national companies bringing international standards into India
- Stringent statutory compliance requirements; stricter certification bodies
- Growth in the workforce size and more working women

It will seek to graduate from products supply to a holistic partnership solution with customers, future-proofing their safety needs.

It will seek to enter long-term supply contracts with large customers that make it possible for our Company to block sizable capacities.

Optimism

The big message that one needs to leave with our stakeholders is that there are two trends at play in the Indian personal protection equipment sector.

The first trend is that India is playing catch-up with the gap between where it is and the needs of the day; the second trend is that India needs to concurrently address the growing needs of the world and the needs of a modernising India to address the demands of the future.

Besides, India accounts for a mere fraction of the global personal protection equipment sector, resulting in a large operating headroom, the makings of a multi-decade opportunity.

The Indian personal protection sector is evolving from the unorganised to the organised; there is a greater respect today for certification-benchmarked equipment over inferior alternatives.

In view of these realities, we are optimistic of the long-term prospects of our Company to achieve ₹1000 Crore in revenues across five years, enhancing stakeholder value in a sustainable way across the long-term.

Ajay Mall, Managing Director

FINANCIAL OVERVIEW

WE HAVE CREATED A FINANCIAL FOUNDATION FOR A MULTI-YEAR VALUE-ACCRETIVE JOURNEY



Shyam Sundar Agarwal
Chief Financial Officer

Overview

Mallcom secured its financial foundation during the year under review even as it was faced with unprecedented challenges.

This financial foundation comprises negligible debt, prominent brand, long standing customer relationships, rising customer wallet share, accruals-driven capital expenditure and strong working capital management. The result is a financial model directed towards profitable sustainability.

The Company built a personal protection equipment business across products (hand, feet, head and body) with the objective to broadbase risk, widen margins and strengthen sustainability. The Company's performance of FY 21-22 was derived on account of sustained demand growth, demand shift from China to India (China + 1 factor) and attractive realisations. On the other hand, this improvement was achieved in the face of challenges (social, political and economical): the pandemic-induced slowdown, commodity inflation, shortage of shipping containers, rise in oil prices, increased logistics costs and the Ukraine-Russia war.

The Company's most creditable achievement during FY 21-22 was that the Company continued to build its brand and Balance Sheet.

Listing

The Company was listed on NSE in February 2022, which will enhance our visibility, trading liquidity, stakeholder confidence and widen access to growth capital should we need to mobilise.

Clarity

The management possesses a financial clarity that is expected to translate into sustainable value-accretive growth. This clarity comprises the following features: sustained brand-driven revenue growth, protected or improved credit rating, attractively under-borrowed Balance Sheet, accruals-funded capital expenditure and effective cost management. The Company expects to enhance revenues to ₹1000 Crore across the next five years through this financial approach.

Revenue growth and mix

Mallcom reported profitable growth during the year under review. Revenues grew 12.33%, EBITDA grew 13.24% and profit after tax strengthened 20.74%. The revenue reported by the Company during the year under review was the highest in its existence. The growth in revenues helped amortise fixed costs effectively, strengthening profitability. The hand protective equipment segment accounted for 30% of revenues, the feet segment accounted for 32% and body segment for 32% revenues during the year under review. The head protection segment, comprising helmets, bump caps and masks, was relatively new (~2 years).

Capital efficiency

At Mallcom, we aspire to generate a return higher than what our risk partners (shareholders) would generate if they invested in alternative asset classes. The Company enjoys a track record of maximising capital efficiency by generating economies of scale from the mass segment, graduating from the low quality segment towards premiumisation, increasing revenues per rupee of brand spend, growing a consumption appetite,

re-investing accruals and building a sustainable competitive advantage.

During the year under review, the Company reported ROCE of 20.74%, which was higher than the average debt cost incurred by the Company (6%) and the prime lending rate of 5% within the Indian economy. The Company strengthened EBITDA margin 103 bps during the year under review to 13.90%. The Company expects to protect its EBITDA margin by leveraging its economies of scale.

Mallcom reported profitable growth during the year under review. Revenues grew 12.33%, EBITDA grew 13.24% and profit after tax strengthened 20.74%. The revenue reported by the Company during the year under review was the highest in its existence. The growth in revenues helped amortise fixed costs effectively, strengthening profitability.

Credit rating

At Mallcom, we demonstrated our commitment to enhance margins, enhance net worth and moderate long-term debt during the year under review. The credit rating of the Company (the higher the rating, the lower the cost) improved from A- / Stable during the year under review to A / Stable (Long-term) during the current financial year.

The objective of the Company will be to report a creditable performance during the current year and seek an improved rating. A strong credit rating makes it possible for us to enhance low-priced debt availability

(should we need it), strengthening a virtuous cycle of access to growth funds (external) leading to timely capex and superior margins. We see the rating as a measure of our competitiveness and our objective will be to keep enhancing our credit rating towards the highest level.

Liquidity

At Mallcom, financial liquidity enhances our capacity to invest in capital expenditure largely through our earnings, negotiate better with vendors (in exchange for immediate payment by us) and showcase our liquidity to attract credible stakeholders. Given a choice between maximising revenues with stretched liquidity or moderate-to-high revenues with enhanced liquidity, the Company will select the latter.

The Company measures liquidity by net cash on the books (cash less debt), interest cover (EBITDA divided by interest outflow) and the gearing ratio. Net worth was ₹157.71 Crore and total debt ₹45.41 Crore as on 31 March, 2022 as against ₹128.73 Crore and ₹53.30 Crore respectively as on 31 March, 2021. This visible reliance on net worth represented a buffer in a volatile world.

Interest cover was 21.05 in FY 21-22 as against 20.09 in the previous year. Debt-equity ratio remained attractive at 0.29 (including short-term debt), which improved from 0.41 in FY 20-21 (the Company increased net worth by ₹28.98 Crore and reduced long-term debt by ₹7.89 Crore during the year under review).

Capital expenditure

At Mallcom, we commissioned a new apparel SEZ during the last financial year and were engaged in capital work in progress of ₹14.74 Crore as on 31 March, 2022. The Company invested ₹15.33 Crore (20% of its gross block as on 31 March, 2022) and by the virtue of the capital expenditure being allocated principally to its existing product segments, the Company expects to grow profitably. The investments are expected to grow the Company's presence across markets and products. The aggregate value of investments (₹29.17 Crore) during the last two financial year was the largest in the Company's existence.

Debt

There was no long-term debt on the Company's books. The net worth on the Company's books was ₹157.71 Crore at the close of the year, indicative of the borrowing room available to the Company should it need.

Working capital hygiene

The Company addressed the need to manage working capital hygiene by controlling its receivables cycle within tolerance limits through stable terms of trade with customers, marketing product variants enjoying strong offtake, marketing

value-added products and increasing the proportion of cash-and-carry revenues.

The proportion of undrawn working capital sanctions was 56% as on 31 March, 2022. However, the working capital cycle (days of turnover equivalent) extended from 57 days in FY 19-20 to 41 days in FY 20-21 to 47 days in FY 21-22, still considered reasonable. The Company's receivables were 53 days of turnover in FY 20-21 and 75 days during the year under review (domestic receivables cycle considerably shorter than exports to USA and South America). Inventory declined from 56 days of turnover equivalent to 50

days during the same period.

Financial objectives

The Company will seek to grow revenues without stretching working capital management. It will address the challenge of inflation through prudent procurement and inventory management.

Shyam Sundar Agarwal
Chief Financial Officer

Our new infrastructure investments

Gujarat

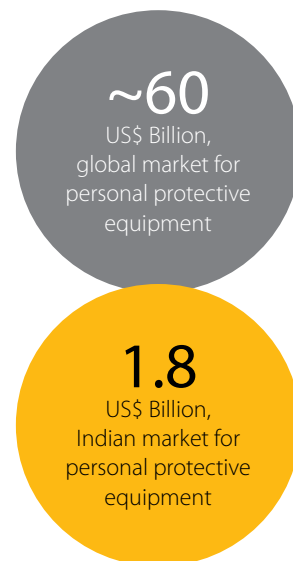
- Commissioned in September 2021
- 61,000 sq ft
- Capacity 20,000 units a month
- Project cost ₹22 Crore
- Funded largely through accruals + concessional TUF debt
- Revenue potential of ₹85 Crore

West Bengal

- Commissioned Phase 1 in July 2022
- Total 210,000 sq ft in 3 phases
- Capacity of 150,000 units a month
- Project cost of 27 Crore in the first phase and another ₹23 Crore in the second phase
- Funded largely through accruals + concessional TUF debt
- Revenue potential of ₹175 Crore

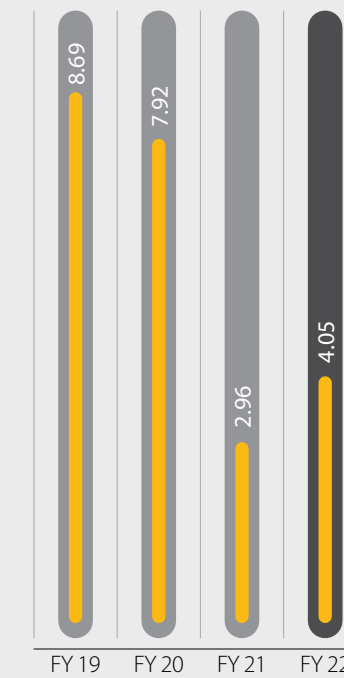


Rationale for capital expenditure

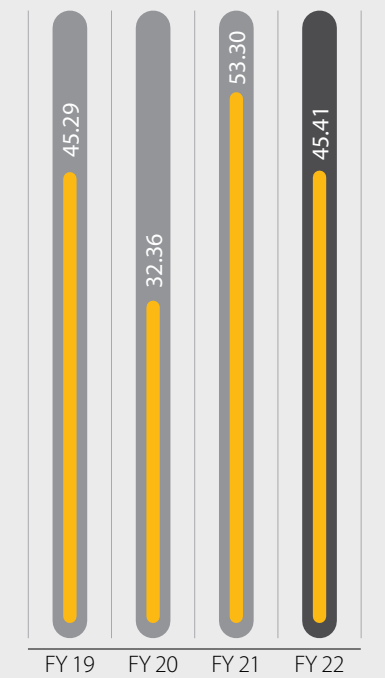


THE FINANCIAL HYGIENE OF OUR BUSINESS

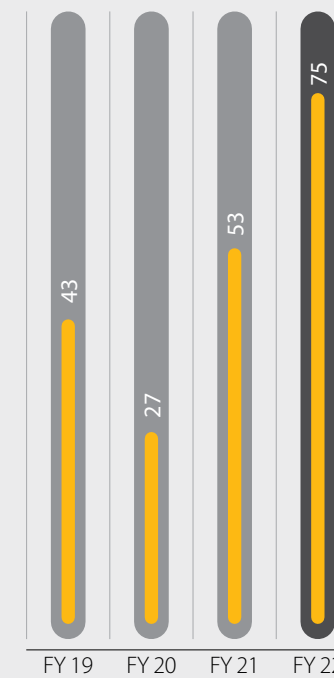
Our debt cost (%)



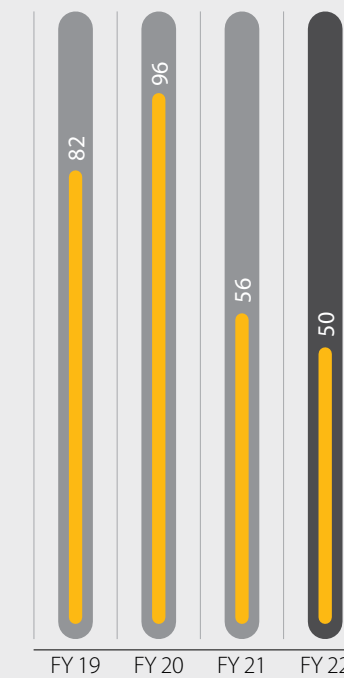
Our consolidated debt (₹ Crore)



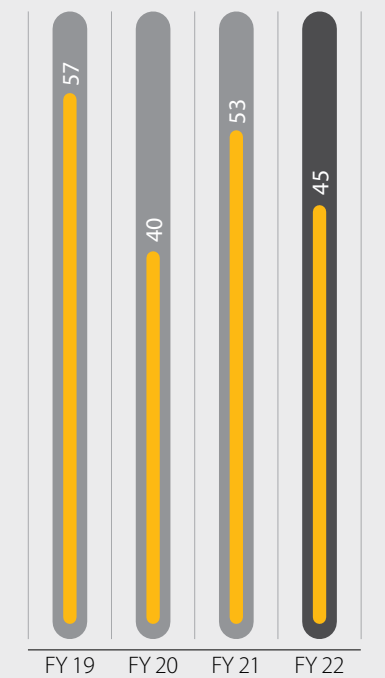
Our receivables cycle (days of turnover equivalent)



Our finished goods inventory cycle (days of turnover equivalent)



Working capital utilisation against sanction (%)



PART 3

VALUE CREATION

AT MALLCOM



Our strategy

| Strategic focus | Key enablers | Material issues addressed | Capitals impacted |
|---|---|---|---|
| First-recall position with respect to customer needs Commitment to focus on evolving customer requirements Focus on carving away sizable market presence | Investment in research, product development and certifications Nurturing a widening portfolio Integration of market understanding with business development | Ability to ascertain competing influences Ability to ascertain whether the timing is right for business development Ability to establish a superior price-value proposition Ability to fund new investments and commercialise infrastructure with speed | Manufactured, Intellectual, Financial |
| Cost leadership Widen the market and the Company's share Enhance the price-value proposition Create an effective market entry barrier | Mobilise growth capital at a low cost Maximise the use of patient capital (net worth) Leverage an existing marketing foundation and customer network Invest in process automation Maximise asset utilisation Leverage economies of scale | Ability to leverage the power of a strong Balance Sheet and credit rating to mobilise low-cost funds (if needed) Ability to engage in disciplined capital allocation, maximising the role of net worth in capex Invest in technologies that moderate per unit production costs | Financial, Intellectual, Natural, Social and Relationship |
| Supplier of choice Preferred brand Protecting the customer's business Trusted across countries, regions, sectors, customers and market cycles; stands for a peace of mind | Launch superior products that enhance the customer's protection Superior price-value proposition for customers Brand assurance of product effectiveness, durability and replacement (in the event of issues) | Ongoing engagements with quality assurance teams in the customer's company Leaving enough value on the table for stakeholders Supporting trade partners through incentives | Intellectual, Manufactured Social and Relationship |
| Robust people practices Need to enhance talent productivity Need to generate rising revenues and profits per person employed Focus on remaining employer of choice | People-centric policies Industry-benchmarked remuneration Work-life balance for employees Training for workers High retention, renewal, motivation and outperformance | Creating a professional and outperforming culture Retaining people across levels Creating a customer-centric culture | Intellectual, Human Relationship, Natural |
| Responsible citizenship Addressing the relatively unmet needs of communities Focus on making measurable improvements | Mallcom allocated ₹0.48 Crore for CSR activities in FY 21-22 These activities covered enunciated priorities The engagements were carried out through a complement of NGOs | Need to ascertain unmet community needs Need to create the right CSR team and work with the right NGOs Need to derive measurable outcomes to establish credibility | Social |
| Stakeholder value-creation Need to perpetually enhance credibility as a well-rounded organisation | Addressing the needs of all stakeholders (customers, employees, vendors, government, lenders and shareholders) | Need for a holistic understanding of stakeholder requirements Need to invest in governance, resulting in strategic stability, coupled with investments in business automation and systems | Intellectual, Manufactured, Social and Relationship |

The value we created in FY 21-22

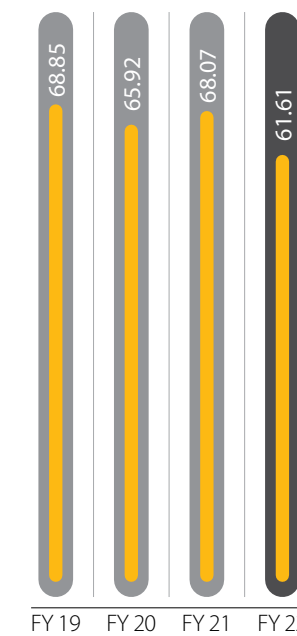
| Financial capital | Manufacturing capital | Human capital | Intellectual capital | Natural capital | Social and relationship capital |
|---|--|--|--|---|--|
| Earnings per share ₹49.56 Market capitalisation (as on 31 March, 2022) ₹758.10 Crore | Revenues earned from our business ₹370.13 Crore Profit after tax ₹30.85 Crore | Employees ~570 Remuneration paid > ₹11.76 Crore | Cumulative senior management experience >250 years | Consumed natural resources in a balanced manner | Number of vendors associated with the Company 200+ |

The value we shared in FY 21-22

Employee value

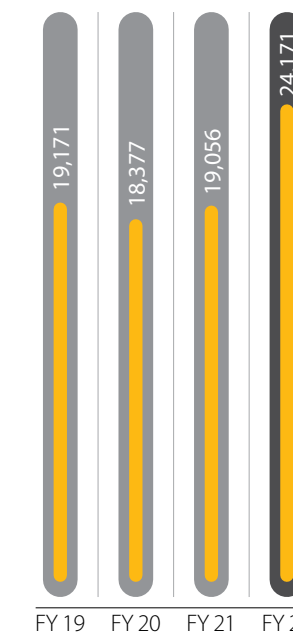
| Year | FY 19 | FY 20 | FY 21 | FY 22 |
|----------------------------------|-------|-------|-------|-------|
| Salaries and wages (₹ Lakh) | 1,158 | 980 | 1,015 | 1,176 |
| Productivity per person (₹ Lakh) | 11.56 | 11.88 | 11.89 | 12.80 |
| Fatalities on job | 0 | 0 | 0 | 0 |
| Lost hours due to injuries | 2 | 0 | 0 | 0 |

Customer value



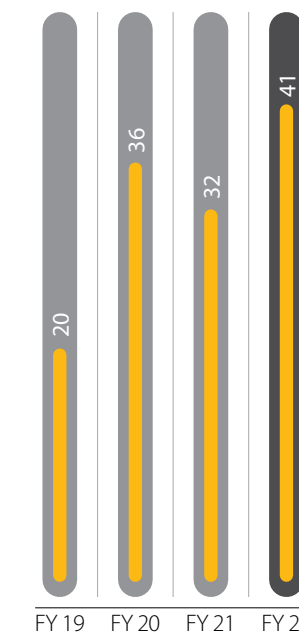
Exports as a % of overall revenues

Vendor value



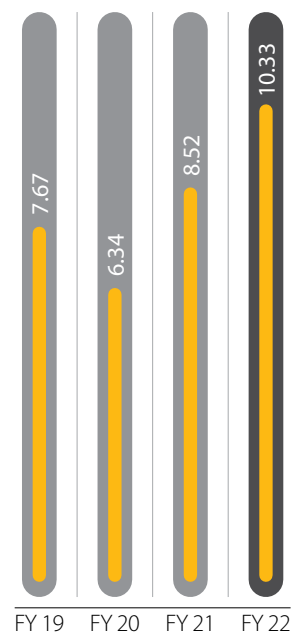
Procurement (₹ Lakh)

Community



CSR spending (₹ Lakh)

Government



Taxes paid (₹ Crore)

HOW WE INTEND TO ENHANCE SHAREHOLDER VALUE AT MALLCOM

Market valuation

473

₹ Crore, market valuation as on 31 March, 2022

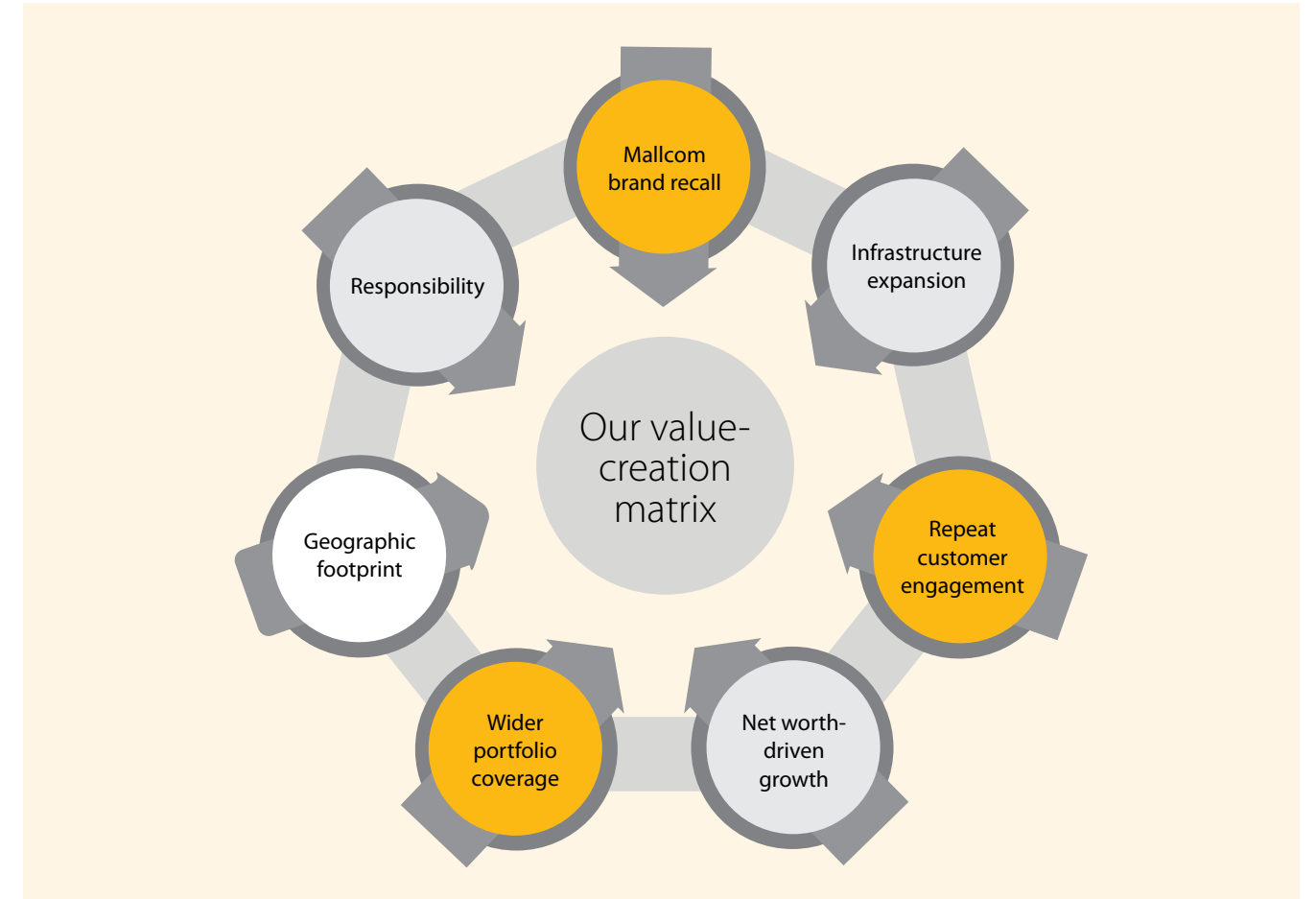
246

₹ Crore, market valuation as on 31 March, 2021

Our value-creation goal

1,000

₹ Crore revenues in five years



- 1 Brand recall**
 Focus on enhancing the Mallcom brand recall
 Focus of recall as a 'specialist' Brand reinforced by a niche and long-standing presence
 Consistent position as a turn-to-protection solution provider
- 2 Infrastructure expansion**
 Two facilities being commissioned in FY 22-23
 Located in Gujarat and West Bengal
 ₹27 Crore investment; annual revenue potential of ₹100 Crore
 Capital expenditure funded through accruals
- 3 Repeat customer engagement**
 Seek multi-year relationships
 Service the needs of quality assurance teams within customers
 Graduate beyond commercials to a quality-driven service
 Enhance customer wallet share
- 4 Net worth-driven growth**
 Sustain net cash company status
 Expand out of accruals
 Achieve cash profit critical mass
 Become self-sufficient for consistent investment ploughback
- 5 Wider portfolio coverage**
 Provide a complete protection products complement
 Increase head product revenues from 1% to 5% of the Company's revenue
 Broadbase portfolio to reduce an excessive dependance on any one item
 Study global developments to widen the portfolio
- 6 Geographic footprint**
 Presence in 70+ countries
 To enhance India revenue proportion to 50%
 Explore Free Trade Agreements to enhance exports
 To increase the number of countries of the Company's presence
- 7 To enhance responsibility**
 Commitment to governance
 Compliances with emissions and waste disposal
 Investment in automated technologies to enhance resource efficiency
 Growing the business without stretching the Balance Sheet



PART 4

OUR OPERATIONAL

EXCELLENCE

BUSINESS DRIVER

OUR OPERATIONAL COMPETENCE

Overview

Mallcom manages four major raw materials like textile, leather, polymers (polyethylene/polyurethane) and synthetic chemical (NBR), underlining its multi-material competence.

The Company is driven by planning and control through cross-functional engagements between product categories

During the year under review, the Company focused on quality improvement, cost management, deeper environment respect and value-added services.

Manufacturing strengths

Automated control system: The Company has an integrated manufacturing system with automated control systems, enhancing quality

Skill and experience: The Company comprise skilled talent (1,010 individuals) possessing competencies in design, material use, stitching and product customisation

Locational advantage: The Company's operations are proximate to downstream users and talent, strengthening scalability and logistical access

Technology: The Company has periodically upgraded technologies to update manufacturing facilities

Achievements

- Maintained 90-100% productivity for leather gloves, work garments and safety shoes

- Nitrile gloves and seamless gloves unit operated at 70% capacity utilisation

- New finished goods warehouse was built; released factory space resulted in the accomodation of more production lines.

- Adequate inventorisation of fast-moving products facilitated deliveries in 24 hours ex-factory

- Investment in new machines and productivity-linked wages enhanced productivity

- Use of alternative husk boiler and solar energy moderated energy costs
- Investment in in-house testing machines strengthened quality assurance

Outlook, FY 22-23

- Enhance focus on increasing production per minute
- Increase use of validated recycled material (virgin materials)
- Minimise material wastage
- Invest in new testing machines as per global standard
- Implement the expansion of some product lines

BUSINESS DRIVER

OUR PRODUCTS QUALITY

Overview

Mallcom's quality assurance comprises the selection of vendors, raw materials, work-in-progress quality checks and in-house lab testing.

The Company's products are periodically tested by third party testing agencies and clients

The Company introduced Inline Product Quality Control (IPQC); all incoming materials are first tested in the in-house laboratory

The Company is ISO-certified; products are certified as per EN, NFPA, BIS, ASTM standards.

Strengths

Quality systems: The Company installed quality systems across functions with various checks

Quality culture: The Company developed a quality culture, comprising skilled operators, experienced supervisors and professional management

Continuous training: The Company provides regular training, empowering the workforce to upgrade skills and quality awareness

Achievements

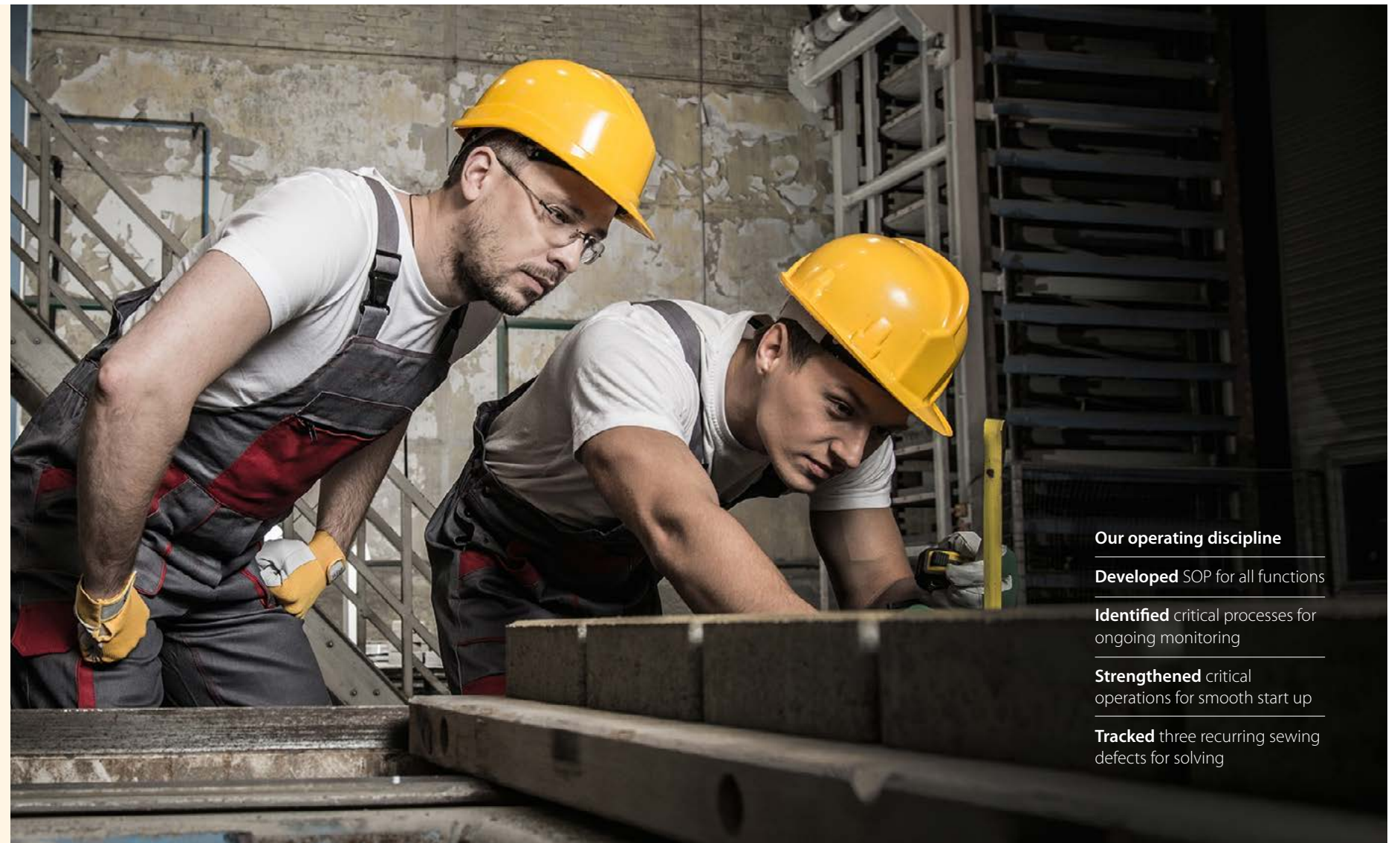
- The quality initiatives increased efficiency and moderated material use

- The quality approach reduced manufacturing waste and increased productivity

Outlook, FY 22-23

- Focus on enhancing quality standards to enhance production efficiency and margins.

- Get products certified as per Australian regulatory norms



Our operating discipline

Developed SOP for all functions

Identified critical processes for ongoing monitoring

Strengthened critical operations for smooth start up

Tracked three recurring sewing defects for solving

BUSINESS DRIVER

OUR SUPPLY CHAIN COMPETENCE

Overview

Mallcom's manufacturing units are spread across West Bengal, Uttarakhand and Gujarat. Mallcom has established itself as a holistic manufacturer for head-to-toe protection, emerging as a valued partner for buyers importing in their brand name. The Company offers a range of products, emerging as a single-stop solution provider.

Challenges and its mitigation

Lockdowns: The pandemic-induced lockdowns reduced production.

Mallcom's provisions in manufacturing units helped workers stay within to keep production lines running with limited capacity

Increasing freight: Rising freight costs led to increased production costs

Some freight costs were gradually passed on to customers.

Non-availability of shipping containers: The supply chain was disrupted due to a shortage of containers.

The Company leveraged access to multiple ports to book containers and deliver goods on time.

Costs increased sharply

The Company sustained its profitability despite a labour shortage and a 10-fold increase in shipping container costs.

Strengths

Supply chain: Mallcom owns the supply chain without relying on third parties.

Indigenous raw material: Mallcom's 85% raw materials are indigenous; the Company will continue to engage with local suppliers.

Minimum order quantity: Container consolidation, comprising different PPE items, empowers the Company to deal with clients requiring smaller minimum order quantities.

Dealing with incoterms: Mallcom deals with all kind of incoterms, facilitating international trade.

Outlook, FY 22-23

Mallcom intends to reduce its dependence on imports; it books orders on an FOB basis and avoids absorbing increased logistic costs. The Company will stock inventory to minimise stock outs.



OUR RESEARCH-LED FOCUS

Development of aqueous PU dispersion for cut resistant gloves.

Development of helmet formulation using recycled materials

Developments of useful form of silica from rice ask hush (process waste)

Development of waste reuse

Development of intermediate stage raw materials to widen raw material variety

BUSINESS DRIVER

OUR RESEARCH AND DEVELOPMENT COMPETENCE

Overview

The Company invests 3-5% of revenues in R&D each year.

Ongoing research in better products, processes and practices has empowered the Company to consistently improve its products offering and launch new ones.

Strengths

Performance: The Company developed a universal formulation for helmets suitable for different performance requirements as per global standards.

Technology: The Company developed technologies to enhance product quality and reduce costs

Analysis: The Company analysed materials used in good manufacturing practices to enhance productivity

Achievements

• The Company developed 10 helmet variants for global markets

• Revenue from new research-led product launches was 4% during the first year (FY 21-22)

• Investment in laboratory and IT equipment strengthened research

• New polyurethane formulation for safety shoes helped reduce safety shoe weight

Outlook, FY 22-23

The Company will continue to invest in cutting-edge technologies to launch new products.

BUSINESS DRIVER

OUR MARKETING COMPETENCE



Overview

For almost four decades, Mallcom has been a prominent manufacturer of head-to-toe protection equipment products (helmets, face masks, nitrile gloves, leather gloves, workwear and safety shoes).

The Company works closely with customers to develop exclusive products, strengthening its share of revenues from premium products.

EN, OSHA, NIOSH and ANSI mandates were made compulsory in accident-prone areas, strengthening the relevance of the sector.

Positioning of our products

The Company's quality standards are at par with international brands. All Mallcom products comply with Regulation EU 2016/425, replacing Directive 89/686/EEC of 2016.

Mallcom's products are EN, BIS, NFPA-certified; raw materials are derived from world renowned companies like Bayer®, Dyneema®, Prym®, Du Pont®, YKK® and BASF® etc.

The Company offers products across price segments, widening the customer's flexibility. The Company is migrating to more value-added products and spaces, where it is essential for different raw materials to interact with each other, strengthening the multi-product portfolio.

Challenges and mitigation

Low consumer awareness on workplace hazards as well as the use of sub-standard uncertified or counterfeit products have stunted organized market growth. This has been complemented by rising freight cost, unavailability of shipping containers and currency fluctuations.

The Company seeks to retain clients through prompt after-sales service.

The Company is also enhancing respect through eco-friendly processes.

Achievements

Mallcom collaborated with leading brands like Dyneema®, Sanitised®, Oeko-Tex® etc. to enhance product quality, strengthening competitiveness.

Mallcom enhanced visibility on e-commerce platforms and social media campaigns to market new products. The Company showcases new products to the American, European and Australian markets through visits and exhibitions.

Strengths

Quality products: The Company offers clients certified quality products at competitive prices.

On-time delivery: The Company focuses on on-time and in-full deliveries

Innovative products: The Company focuses on new products development

Outlook, FY 22-23

The Company has been exporting to emerging markets in the Far East, South Pacific, Africa, Middle East and Central America. Mallcom intends to expand its presence to the USA, Australia and UK.

Export scenario for the year under review

Europe is expected to be the dominant market due to a rise in government investments in renewable energy

Supportive government regulations (EU Directive 2016/425) have resulted in quality standards for safety equipment in Europe; APAC is expected to grow significantly

Due to punitive US taxes on Chinese imports (for a few HS codes), some Mallcom product categories could benefit attractively

PEOPLE MANAGEMENT

HOW WE STRENGTHENED OUR TALENT MANAGEMENT

Overview

The Company's talent goal is to create an open, honest and performance-oriented workplace. Being a talent-driven equal-opportunity company, Mallcom nurtures a workforce comprising integrity and a willingness to upgrade. The policy is to take care of people, product and profit – in that order. The Company focuses on hiring skilled professionals with a thorough knowledge of the manufacturing lifecycle, producing quality products that enhance customer delight. At Mallcom, workforce development is dependent on the ability to identify and develop talent across levels, based on performance and leadership.

Approach

Culture building: Mallcom's HR policy is focused on developing a healthy workplace environment, ensuring profitable margins through optimal workforce utilisation, performance and productivity management, employee career growth and creating a happy workplace.

Talent development: The Company recruits talent through digital platforms, consultancies, employee referrals, hiring cross-department and assigning a buddy to each new hire. The Company strengthens skills through career progression, training, mentors, feedback and skill measurement. The Company

promotes accountability, providing access to senior leadership and customer-facing roles.

Human resource practices: The Company engages in regular employee connect through skip-level meetings, quarterly performance feedback, periodic address by the senior leadership team and regular on and off-the-job training.

Talent productivity: Upskilling and re-skilling has led to an agile workforce empowered to make decisions and deepen R&D. Mallcom prioritises work-life balance and encourages training and development.

Code: The Company formalised a Code of Conduct shared with employees during

induction. The SOPs and standing orders are displayed for worker awareness. The Company prioritised talent safety during the pandemic (vaccination, insurance, work-from-home and bio bubble). The Company's systems and processes were monitored for compliance and subject to continuous improvement through the SA8000 standards and third-party verification.

Outlook, FY 22-23

Mallcom will continue to hire and upskill talent to build a performance-oriented team focused on customer satisfaction. It will invest more in technical training and building subject matter experts.

Strengths

High retention

High employee retention increased productivity, culture and customer experience.

Association

Enduring association of key employees signified job satisfaction and knowledge retention

Technology

Data-driven decision-making helped Mallcom increase the efficiency of systems, products and services.

Our talent dashboard

Employees (on payroll and contractual)

| Year | FY 20 | FY 21 | FY 22 |
|-----------|-------|-------|-------|
| Employees | 2424 | 2767 | 2890 |

Average age

| Year | FY 20 | FY 21 | FY 22 |
|-------------|-------|-------|-------|
| Average age | 40.35 | 36.36 | 36.83 |

Employees by gender

| Year | FY 20 | FY 21 | FY 22 |
|--------|-------|-------|-------|
| Male | 69% | 68% | 63% |
| Female | 31% | 32% | 37% |

Employees by age group

| Year | FY 20 | FY 21 | FY 22 |
|-----------------|-------|-------|-------|
| Age group 22-35 | 33% | 32% | 33% |
| Age group 36-45 | 62% | 62% | 62% |
| Age group 46-60 | 5% | 5% | 4% |

Employee cost as a percentage of total revenue

| Year | FY 20 | FY 21 | FY 22 |
|-------------------------------|-------|-------|-------|
| Employee cost as % of revenue | 3.3% | 4.8% | 5.5% |

Employees by tenure

| Year | FY 20 | FY 21 | FY 22 |
|-----------------------------------|-------|-------|-------|
| More than 5 years (as % of total) | 56% | 38% | 32% |

CORPORATE SOCIAL RESPONSIBILITY

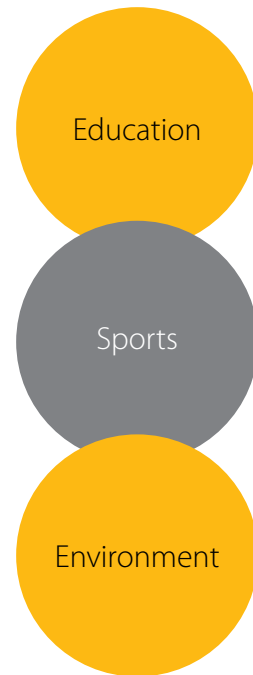
MALLCOM'S COMMUNITY DEVELOPMENT ENGAGEMENT

Overview

Mallcom is committed to sharing business success with the community. The value of corporate citizenship is rooted in responsibility to society and polity that provide a platform for business activities. The Company used to initiate and carry out socially responsible activities even before corporate social responsibility became a regulatory requirement for

companies. The Company's CSR activities are driven by its Executive Director Mr. Giriraj Mall and General Manager Mr. Rohit Mall, along with the Board, reflecting the organisation's priority towards society at large. The Company's CSR objectives include uplift of underprivileged sections, helping in nation-building and taking care of the planet.

Mallcom's CSR focus areas



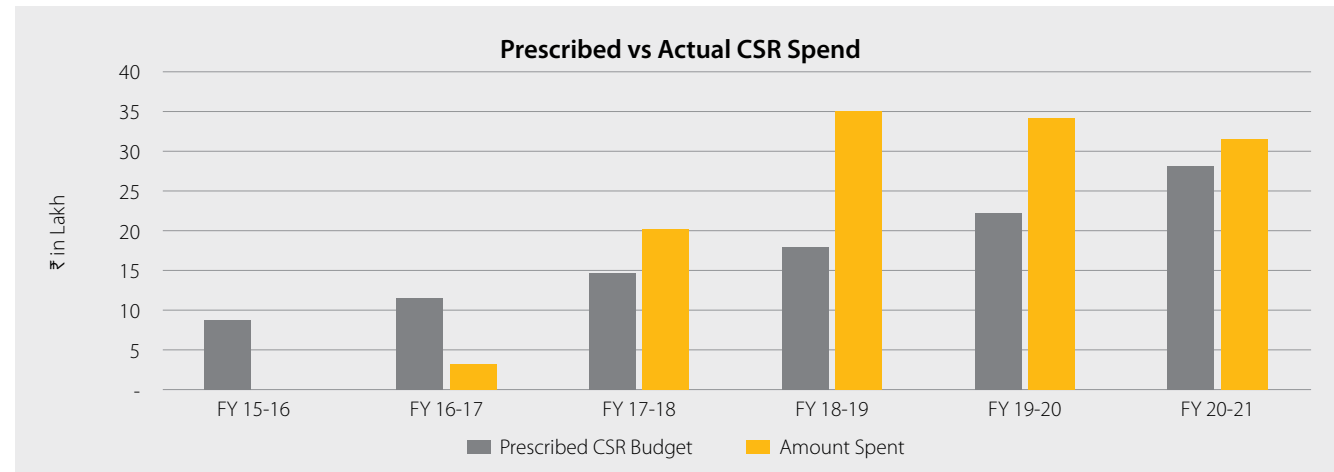
Key CSR programmes

Education: The Company launched the Asha Kiran programme in 2021 to sponsor the education of under-privileged children living near our manufacturing units. This programme has benefited more than 150 students.

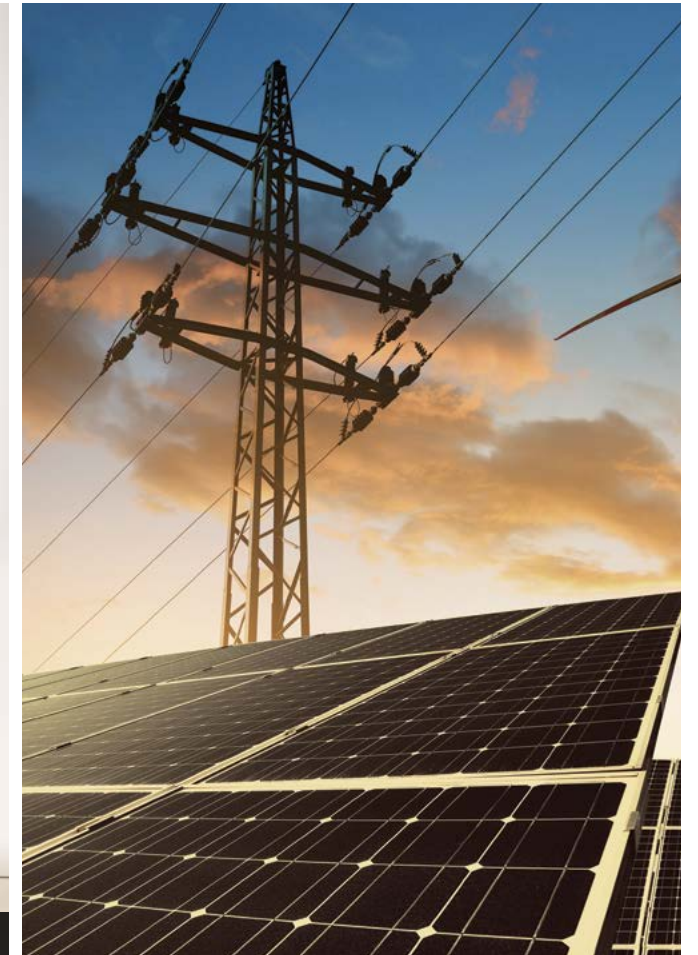
Keshav from 2015 to 2018. The Company supported 10m Olympic rifle shooter Mehuli Ghosh from West Bengal from 2018 to 2020. The Company continued to support paralympian badminton player Manasi Joshi from 2018.

Sport: The Company has supported sportspersons for national and international competitions. Mallcom sponsored the equipment and travel of seven-time Winter Olympian Shiva

Environment: The Company invested in two bio heaters with a total capacity of 2 Million kCal/hr and a solar panel plant of 65kW capacity.



Manasi Joshi is India and world number two para-shuttler (SL3)



Asha Kiran: Started in 2021, Asha Kiran, an initiative by KD Mall Charitable Trust, funded by Mallcom, provides free education to the underprivileged residing near Mallcom's factories. The sponsorship is from primary to graduation education for all weaker sections in government schools and colleges. What started with ten subscribers now has over 150 students availing for this sponsorship across different locations in West Bengal.



Renewables: As a strong proponent of efficient and sustainable manufacturing, Mallcom invested early in renewable energy. The Company invested in 65kW of solar panels that address 25% of all leather product. Further, we installed two boilers manufacturing needs with a capacity to generate 20 Lakh Kcal of heat from rice husk for nitrile glove production.



Manasi Joshi: Manasi Joshi is India and world number two para-shuttler (SL3). She won medals at Asian Games and other world championships. Manasi was felicitated with Times of India Sports Award for the best para-athlete, BBC Indian Sportswoman of the Year, National Award for Best Sportsperson with a disability and TIME Next Gen Leader. She is also on the list of self-made women of Forbes India 2020. Barbie celebrated Manasi with a one-of-a-kind Barbie doll modelled on her likeness.

BOARD OF DIRECTORS



Mr Ajay Mall
Managing Director

Mr. Ajay Mall is the founder of the company, possessing four decades of experience in the PPE industry. He possesses a visionary and professional outlook and heads the Board of Directors. Being a member of the Institute of the Chartered Accountants of India (ICAI), an associate member of the Institute of Cost and Works Accountants of India (ICWAI) and a member of the British Institute of Management, UK (BIM), Mr Mall is acknowledged as a business expert and has been awarded for his entrepreneurship by various agencies. He is a member of leading trade bodies for leather, textile, and exports.



Mr Giriraj Mall
Director

Mr. Giriraj Mall is a key Board member. Using his management and techno-commercial expertise, he oversees the development, design, manufacture and marketing of PPE products. After completing his MS and MBA from USA, Mr Giriraj joined the Board of Directors in 2010. He possesses two decades of experience in the field of occupational health and safety. His presence in the Executive Committee of CII (ER)- Safety Task Force, Safety Appliance Manufacturers' Association (SAMA) and American Society for Quality Control (ASQC) has helped enrich the company's Board.



Mr Ravindra Pratap Singh
Director

Mr. Singh has been an Independent Board member of Mallcom since 2011. He completed his post-graduation from the University of Calcutta and has been associated with ICAI as a fellow member for over three decades. With more than 24 years of experience, he provides expertise related to assurance services, financial planning and income tax advice. Mr. Singh is a senior partner in Lodha & Co and an influential professional in the corporate & management advisory niche with an experience in corporate restructuring, mergers & demergers, valuations, debt restructuring, asset reconstruction, due diligence and others.



Rana Das
Associate Vice President - Branded Sales

Mr. Rana Das has been associated with the company since 2005. He is an MBA graduate from IIM Calcutta. He looks after the marketing and distribution of branded PPEs across the APAC region and is focused on driving revenues in business development, sales, strategic sourcing & purchase, vendor development, logistics as well as supply chain management.



Shyam Sundar Agarwal
Chief Financial Officer

Mr. Shyam Sundar Agarwal has been associated with Mallcom since 1996. Being a Chartered Accountant, he looks after fund raising, investor relations, legal compliances, corporate taxation, stock exchange listings, business planning, revenue and other financial activities.



Jyoti Prakash Lakhota
Vice President - Operations

Mr. JP Lakhota is VP - Operations for the leather business and a Chartered Accountant. He directs the company's leather operations. He is leading the manufacturing facilities of safety shoes, hand gloves, face masks and helmets overseeing a team of 1200+ employees.



Dr. Barsha Khattry
Director

Dr. Khattry has been a member of the Board of Mallcom as an Independent Director since January 2014. She holds a PhD in Economics from University of Massachusetts and served the United Nations Development Programme as Economic Advisor. With more than 15 years of experience as a Macro and Development Economist, she serves in an advisory capacity at the Bengal Chamber of Commerce and Industry as an Economic Intellect. She has been engaged in directing a government project on maternal and child health in Rajasthan. She has been instrumental in graduating Mallcom towards sustainability and environmental preservation.



Mr. Arindam Bose
Director

Mr Arindam Bose has 20+ years of experience in investment banking, private equity, wealth management and client relationship management. He has helped mobilise than a billion US dollars in private equity and direct placement transactions; he concluded over another billion dollars in equity finance transactions. He brings to the Board in-depth knowledge of the GCC region. Mr Bose is presently the Managing Director and Board Member of Vitta Holdings Limited, a boutique investment advisor across Asia, Europe and the Middle East. He was a Director in the Global Banking & Markets Group at Royal Bank of Scotland and is on the Board of Uluru Inc, Velocitas Partners, Carving Futures Pte Limited (Mom's Belief), Agile Financial Technologies, GSEC & Karu Design & Marketing Pvt Ltd. Mr. Bose holds a Bachelors in Engineering degree as well as a Masters in Relationship Management.



Dr. Himanshu Rai
Director

Dr. Himanshu Rai is the Director of IIM Indore. He was Dean of MISB Bocconi and Professor at SDA Bocconi, Milan, from 2014 to 2016. Dr Rai has been Chairman HRM Group, Admissions, Corporate Communications & Media Relations, and Executive Programmes at IIM Lucknow.

Dr. Rai obtained his doctorate from IIM Ahmedabad. He worked for eight years at Tata Steel, where he played a pivotal role in developing Quality Systems for his Departments & Communication Policy. He teaches a variety of courses to postgraduate and doctoral students including Negotiation, Justice, Leadership & Business Research Methods. He has consulted with organizations like World Bank, Planning Commission of India, International Finance Corporation, UP State Road Transport Corporation, Mahindra & Mahindra, Hero Honda and SEWA.



Joydeep Sarkar
Senior Manager - Private Label Sales

Mr. Joydeep Sarkar is working as Senior Manager - Private Label Sales. His primary responsibilities include sales & marketing of OEM products in LATAM, US and East Europe. He explores business opportunities, sales, marketing, logistics and relationship development.



Rohit Mall
General Manager

Mr. Rohit Mall is the General Manager looking into product development, branding, e-commerce, and business development. He is a Chartered Accountant with more than two years of experience at Mallcom. He completed his MBA from IESE, Barcelona, in 2021 and has four years of experience as Founder & CEO of a Nasscom-backed education technology start-up called Pedagoge.



Ananya Kar
General Manager- HR & Corp Services

Ms. Ananya Kar develops and implements HR initiatives in line with the business strategy. She holds a degree in PGCHRM from XLRI in 2012, post graduate degree in Public Relations from Bhartiya Vidya Bhawan in 2008 and BA (Hons.) from Presidency College, Kolkata, in 2005. She has 15+ years of experience and was associated with Cognizant Technology Solutions.

MANAGEMENT DISCUSSION AND ANALYSIS

Global economic overview

The global economy grew an estimated 6.1% in 2021 compared to a de-growth of 3.3% in 2020. This improvement was largely due to the increased vaccination rollout the world over and a revival in economic activity based on catch-up consumption.

The global economic recovery is attributed to accelerated vaccine rollout across 4.4 Billion people, around 56% of the global population (single dose). The spot price of Brent crude oil increased 53.34% from US\$ 50.37 per barrel at the beginning of 2021 to US\$ 77.24 per barrel at the end of the calendar year, strengthening the performance of oil-exporting countries

and moderating growth in importing nations. Global FDI reported an increase from US\$ 929 Billion in 2020 to an estimated US\$ 1.65 Trillion in 2021.

The global economy was affected by the prohibitive shipping freight rates and a shortage of shipping containers and semiconductor chips in 2021, affecting global economic recovery. Inflation was at its highest since 2011, especially in the advanced economies, catalysed by run-up in commodity prices. Some emerging and developing economies were positioned to withdraw policy support to contain inflation even as the economic recovery was still incomplete.

The prominent feature of the global economic activity during the year under review was a sharp revival in commodity prices to record levels following the drop at the time of the pandemic outbreak. The commodities that reported a sharp increase in prices comprised steel, coal, oil, copper, food grains, fertilisers and gold.

The global economy is projected to grow at a modest 2.6% in 2022 following the Russia-Ukraine crisis. A higher interest rate environment could affect emerging markets and developing economies with large foreign currency borrowings and external financing needs in 2022.

| Regional growth (%) | 2021 | 2020 |
|-----------------------------------|------|-------|
| World output | 6.1 | (3.3) |
| Advanced economies | 5.0 | (4.9) |
| Emerging and developing economies | 6.3 | (2.4) |

(Source: IMF, World Bank, UNCTAD)

Performance of major economies

United States: The country reported a GDP growth of 5.7% in 2021 compared to a de-growth of 3.4% in 2020, following the government's investment of trillions of dollars in COVID relief.

China: The country's GDP grew by 8.1% in 2021 compared to 2.3% in 2020 despite it being the novel coronavirus epicentre.

United Kingdom: The country's GDP grew by 7.5% in 2021 compared to a 9.9% de-growth in 2020.

Japan: The country reported a growth of 1.7% in 2021 following a contraction in the previous year.

Germany: The country reported a GDP growth of 2.9% in 2021 compared to a decline of 4.9% in 2020. (Source: World Bank, IMF, Business Standard, Times of India)

Indian economic overview

The Indian economy reported an attractive recovery in FY 21-22, its GDP rebounding from a de-growth of 7.3% in FY 20-21 to a growth of 8.7% in

FY 21-22. By the close of FY 21-22, India was among the six largest global economies, its economic growth rate was the fastest among major economies (save

China), its market size at around 1.40 Billion the second most populous in the world and its rural under-consumed population arguably the largest in the world.

| Y-o-Y growth of the Indian economy | FY 19 | FY 20 | FY 21 | FY 22 |
|------------------------------------|-------|-------|-------|-------|
| Real GDP growth (%) | 6.1 | 4.2 | (7.3) | 8.7 |

| Growth of the Indian economy, FY 21-22 | Q1, FY 22 | Q2, FY 22 | Q3, FY 22 | Q4, FY 22 |
|--|-----------|-----------|-----------|-----------|
| Real GDP growth (%) | 20.1 | 8.4 | 5.4 | 4.1 |

Global personal protective equipment industry overview

The COVID-19 pandemic was one of the most challenging global health crises. The global response to the unfolding COVID-19 crisis saw countries implementing countrywide or partial lockdowns, the announcement of stimulus packages and relief measures to tackle the harsh economic impact of the pandemic. The virus also overwhelmed the global production capacity of PPE which is the most critical product to protect the front-line health workers and other responders. Surging demand for PPE kits along with

disrupted global supply chain amid the COVID-19 pandemic was putting lives at risk. The global PPE market is expected to maintain its growth even post pandemic due to its role in health and hygiene. As the economy and the rest of the world began to return to normal, demand for PPE equipment other than pharmaceuticals began to pick up and continued to grow even after the pandemic.

The global personal protective equipment market size was valued US\$ 80.38 Billion

in 2022 and is expected to grow to US\$ 110.85 Billion in 2029, exhibiting a CAGR of 4.7% during the forecast period. Personal protective equipment (PPE) is used to protect users from workplace health and safety hazards. The rising concerns regarding workers' safety and the adoption of biodegradable and recyclable materials may propel the demand for PPE. These factors may propel market development.

(Source: Globenewswire, investindia)

Indian personal protective equipment industry overview

The Indian PPE market size is expected to grow at a CAGR of 16% till 2026. PPE includes not just the disposable coveralls worn during the pandemic but also all kinds of protective gear like helmets, safety shoes, leather boots and polycarbonate lenses to ear defenders, hi-visibility jackets and gloves, to name just a few. All equipment designed to protect our head, hands, body, feet and against fall comprises PPE. India's presence in the markets of such products makes it a viable competitor, leading global PPE production. Increase in the number of workplace fatalities, government initiatives, growing consciousness for personal safety are major factors driving the growth of the PPE segment. Various private and government organisations like, Occupational Safety and Health Administration (OSHA) and International Labour Association (ILO) laid out strict guidelines on the use of PPEs at workplaces, which could substantially increase PPE demand. Two primary products involved in PPE manufacturing include textile and leather.

Textile is a basic product required to make any workwear, be it a coat or jacket, coveralls, gloves and shoes while leather is used to manufacture gloves, shoes, boots and workwear, to name a few.

Textile: The Ministry of Textiles is playing a major role in supporting India to become a world leader in PPE manufacturing. An outreach programme was launched by the Ministry of Textiles and Ministry of Health & Family Welfare (MoHFW) inviting fabric and garment manufacturers to

develop suitable products and build manufacturing capacities. The government announced US\$ 1.45 Billion Production Linked Incentive (PLI) scheme for textiles, specifically aimed at boosting the production of man-made fiber (MMF) fabric, MMF apparel and technical textiles. PPE is covered in technical textiles under the scheme. This will encourage producers to move towards boosting PPE production, as participating companies expected to achieve the minimum turnover requirements after a gestation period of two years and starting FY 24-25 are entitled to a 15% incentive on attaining the required turnover in the first phase of the scheme.

Besides, the government is planning to launch PM-MITRA Scheme, under the Union Budget FY 21-22 wherein 7 mega textiles are to be set up, with a total outlay of US\$ 600 Million. These parks will offer an opportunity to create an integrated textiles value chain from spinning, weaving, processing/dyeing and printing to garment manufacturing at one location. Along with this, it is intended to generate about 1 Lakh direct and 2 Lakh indirect jobs through the park. For holistic development, the government launched the '5F' Formula - Farm to fiber; fiber to factory; factory to fashion; fashion to foreign. This formula aims to enhance the position of the country in the global textile market, inclusive of PPE workwear.

Leather: The leather industry in India accounts for around 13% of the world's leather production of hides/skins and

handles a robust annual production of about 3 Billion sq.ft. of leather. The industry is known for its consistency in high export earnings and is among the top ten foreign exchange earners for the country. India has an abundance of raw hide with access to 20% of the world's cattle and buffalo and 11% of the world's goat and sheep population. This proves that India is on its way to healthy growth in the PPE industry. Given the right nudge and support, India could emerge as a leader in the global market. The COVID outbreak has taught that if push comes to shove, India could shine brighter. The country, which was not manufacturing any PPE kits before 2020, achieved an almost unrealistic goal of producing 2.06 Lakh PPE kits daily within two months and is now the second-largest producer of these kits in the world. This shows the commitment of producers and the government to take the country to the top.

To bridge the information gap, the Gol involved DRDO, Apparel Export Promotion Council (AEP), Bureau of Indian Standards (BIS) and Confederation of Indian Industries (CII) to disseminate information about quality, processes and ways of addressing technical and resource issues. Through a coordinated effort, the Gol developed the business ecosystem where bigger players in the market and industry associations could guide local manufacturers. PPE kits are just the tip of the iceberg and if such steps are taken for the entire industry, it would not be wrong to assume that the India would be poised to grow into the future. (Source: Indianretailer)

Growth drivers

Large consumer market: India has a population of around 1.40 Billion people. With rising economic growth and prosperity, India's income is also growing, increasing the demand for a variety of things. Many global corporations seek to sell their products to Indian consumers and the most cost-effective way to do so is to establish production in India. As a result, higher consumption could encourage the expansion of industrial activities in India.

Availability of labour: Companies entering the Indian market frequently base their decision on the availability of labour in the region. As of 2021, 45.9% of young people were employable. Besides, the government enacted four new labour laws that broadened the reach of the workforce, provided companies more liberty, bringing more enterprises and people under its cover, simplifying the legal framework, and reducing compliance costs.

Labor cost advantage: India offers a suitable option to China in terms of the labour pool due to its lower labour cost.

As of 2020, the hourly manufacturing labor cost in India averaged less than US\$ 2, compared to US\$ 5.51 in China, which made manufacturing in India 80% cheaper for labor-intensive products.

Raw material control: Raw material procurement for manufacturing has become easier due to availability and quick access. The chemical sector in India is very diverse. India is the sixth-largest chemical producer in the world and the fourth largest in Asia, with a product range of over 80,000. These are some raw materials required for manufacturing personal protective equipment.

Government initiatives: With the government's Atma Nirbhar Bharat Abhiyan package, Indian manufacturing has been revitalised. In May 2020, the government unveiled a US\$ 280 Billion package that primarily addressed the supply side and long-term changes to encourage private investment. According to Commerce and Industry Minister Piyush Goyal, India is also seeking duty-free

market access for leather goods in nations like UAE, the UK and Australia, widening opportunities for the expansion of the PPE sector in India.

Geographical location: The geographical location of India is advantageous to foreign trade and commerce due to its 7,517 km-long coastline. Besides, the location of India is placed in a way that extends between the Middle East and the Far East. The trans-Indian ocean passages are connected to industrially advanced countries of Europe and the developing nations of East Asia. In this way, India is placed in the center, and possesses a strategic spot for trade with Australia, Africa, Europe and the Far East. This indicates that India is an excellent location to manufacture goods. (Source: Indian Retailer)

Factors driving personal protective equipment in India

- Industries such as healthcare, petrochemicals, power generation and firefighting are emerging as ideal destinations for personal protective equipment. Almost all governments and regulatory bodies across the world have made it mandatory for healthcare workers to use PPE while dealing with patients. Expansion of these end-user industries could ignite the demand for personal protective equipment during the forecast period.

- Safety programs are becoming an integral part of various industries in India due to growing hazards in industries like construction, chemical, medical and others. Through safety programs, users collaborate with vendors to select and implement PPE. The working environment and associated occupational hazards are considered to assess and select essential products like PPE.

- The e-commerce channel in India is a rapidly-growing trend in various

industries in the market such as consumer goods. While the business-to-consumer segment is the key driver of e-commerce in India, the rise of business-to-business e-commerce is more significant to the PPE market in India.

- Growth of personal protective equipment market in India can be attributed to due to increasing workplace safety, product innovations, increasing awareness towards worker's health and rising incidence of various diseases such as COVID-19. Increasing number of manufacturing units and construction projects in the country is also influencing India's personal protective equipment market. Rising investments by international companies are also catalysing the personal protective equipment market in India.

- The construction industry in India is expected to have substantial growth over the next few years owing to

increasing infrastructure expenses. The increase in demand for better public infrastructure, such as airports, harbours, rail transport systems and roadways is expected to drive the construction industry.

- With technological advancements, the PPE market is expected to undergo significant developments and provide value-added products with affordable pricing, leading to the growth of the PPE market during the forecast period.

- Global Markets and BCC Research suggest the global market for personal protective equipment could reach US\$ 45.1 Billion and around US\$ 62.0 Billion in 2017 and 2022, respectively, indicating a compounded annual growth rate (CAGR) of 6.5%.

(Source: Business Wire, Techsci Research, Future Market Insights)

Company overview

Mallcom (India) Ltd is a superior personal protective equipment (PPE) brand in India. Incorporated on 13 December, 1983, Mallcom is present in more than 50 countries on six continents, an integrated manufacturer and distributor for head-to-toe protection and a valued partner for major importers. To comply with

the changing environment, Mallcom modifies its products to cater to the evolving needs of its various clients. Their products range from helmets face masks, garments, rainwear, leather gloves, nitrile gloves and shoes. To provide a one-stop solution, Mallcom also deals in eyewear, ear protection, disposable

synthetic gloves and harnesses. Mallcom's manufacturing units are located across West Bengal, Uttarakhand and Gujarat with headquarters in Kolkata; its products are distributed across Asia, MENA and SDAC region.

Financial performance with respect to operational performance

The Company recorded a profit after tax of ₹2,522.24 Lakh during the financial year ended 31 March, 2022 as against ₹2,552.24

Lakh during the financial year ended 31 March, 2021. The basic & diluted earnings per share were ₹49.46 for financial year FY

21-22 as against that ₹40.90 for financial year FY 20-21.

Highlights of our financial performance

| Particulars (₹ Lakh) | Standalone | | Consolidated | |
|--------------------------------------|------------|-----------|--------------|-----------|
| | FY 21 | FY 22 | FY 21 | FY 22 |
| Net sales/ Income from operations | 32,632.95 | 36,703.79 | 31,688.45 | 35,722.85 |
| Other income from operations | 307.90 | 309.27 | 322.12 | 313.81 |
| Total income from operations (1 + 2) | 32,940.85 | 37,013.06 | 32,010.57 | 36,036.66 |
| Total expenditure | 29,536.28 | 32,893.43 | 28,265.08 | 31,787.65 |
| Operating profit | 4,023.39 | 4,900.10 | 4,483.37 | 5,282.17 |
| Operating margin | 12.33% | 13.35 | 14.15% | 14.79 |
| Depreciation | 460.99 | 596.77 | 578.08 | 828.84 |
| Provision for tax | 852.33 | 1,033.23 | 914.28 | 1,093.38 |
| Profit/loss after tax | 2,552.24 | 3,086.40 | 2,831.21 | 3,155.63 |

Cash flow analysis

| Particulars (₹ Lakh) | Standalone | | Consolidated | |
|--|-----------------|-----------------|-----------------|------------------|
| | FY 21 | FY 22 | FY 21 | FY 22 |
| Source of cash | | | | |
| Cash flow from operations | 2,216.79 | 264.89 | 1,882.32 | 124.60 |
| Non-operating cash flows | (3,150.25) | 303.91 | 681.92 | 10,697.99 |
| Increase/ (decrease) in cash & cash equivalent | 2,479.74 | (245.26) | 2,536.55 | (212.01) |
| Total | 1,546.28 | 7,323.54 | 5,100.79 | 10,610.58 |
| Use of cash | | | | |
| Net capital expenditure | 1,384.00 | 1,532.67 | 2,667.45 | 2,380.52 |
| Financial expenses | 157.86 | 183.7 | 159.80 | 725.58 |
| Dividend(Including dividend tax) | 124.80 | 187.2 | 124.80 | 187.20 |
| Direct taxes paid | 829.61 | 1117.3 | 849.76 | 1,206.36 |
| Increase/(Decrease) in Non-current investments | 462.11 | 1,878.58 | 246.61 | 1,878.58 |
| Repayment of borrowings | (2,094.39) | (788.72) | 2,094.39 | 588.72 |
| Net changes in working capital | 682.29 | 3,212.81 | 3,146.76 | 3,643.62 |
| Total | 1,546.28 | 7,323.54 | 5,100.79 | 10,610.58 |

Risk management

| | |
|--|--|
| <p>Economic risk Volatility in material costs could impact profitability.</p> | <p>Mitigation A majority of the Company's assets are secured by medium-term/long-term contracts, protecting the Company from short-term volatility.</p> |
| <p>Regulatory risk Multiple compliance issues could impact operations.</p> | <p>Mitigation The Company established and deployed the most stringent safety and operational standards and complies with the globally accepted Quality, Health, Safety and Environment (QHSE) norms</p> |
| <p>Technology risk The use of obsolete technologies could result in businesses moving to more competitive companies.</p> | <p>Mitigation Systemic technological / asset upgrades and relevant certifications empowered the Company to comply with international standards.</p> |
| <p>Manpower risk Talent attrition could affect productivity.</p> | <p>Mitigation The Company reported a low talent attrition rate and higher retention rate compared to international peers.</p> |
| <p>Asset utilisation risk The profitability of the Company may suffer if the available resources are not used in a sensible manner.</p> | <p>Mitigation The Company has taken the opportunity to efficiently utilise its assets and diversified its portfolio to enhance capacity utilisation.</p> |
| <p>Liquidity risk High debt could present a liquidity crunch.</p> | <p>Mitigation The Company is engaged in discussions with financial institutions and stakeholders to repay debt, visible through its declining debt-equity ratio and rising interest coverage ratio.</p> |

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 authorisation and approval procedures. The 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 standpoint.
- 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 the system put in place to safeguard against any losses or unauthorised 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 is 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

The Company considers its brands and its people strength as its major assets. Mallcom human resource structure has been designed to support the business in achieving sustainable growth and also groom the employees' talents considering future requirements. Mallcom has formulated uniform human resource policies for all employees/ workers to define the human resource 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 recognising and motivating employees for the good work they do in the organisation.

The Company has established listening and feedback systems for employees through the usage of 360-degree feedback for the 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.

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.



CORPORATE INFORMATION

Board of Directors

Mr. Ajay Kumar Mall, Chairman, Managing Director & CEO
 Mr. Giriraj Mall, Executive Director
 Mr. Arindam Bose, Non-Executive Independent Director
 Mr. R. P. Singh, Non-Executive Independent Director
 Dr. Barsha Khattry, Non-Executive Independent Director
 Dr. Hiamnshu Rai, Non-Executive Independent Director

Chief Financial Officer

Shyam Sundar Agrawal

Auditors

S. K. Singhania & 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

Registered Office

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

Corporate Identity Number

L51109WB1983PLC037008

Works

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

Bankers

Citibank N.A.
 Standard Chartered Bank
 RBL Bank Limited

BOARD'S REPORT

Dear Shareholders,

Your Directors are pleased to present the Thirty-Eighth Annual Report on the business and operation of the Company together with Audited Statement of Accounts for the year ending March 31st 2022.

FINANCIAL HIGHLIGHTS

| Particulars | Consolidated | | Standalone | |
|--|--------------|------------|------------|------------|
| | 31.03.2022 | 31.03.2021 | 31.03.2022 | 31.03.2021 |
| Total Revenue | 36,027.44 | 32,010.57 | 37,003.84 | 32,940.85 |
| Profit Before Tax (PBT) | 4,246.70 | 3,745.49 | 4,117.32 | 3,404.57 |
| Provision for Tax | 1,093.09 | 914.28 | 1,032.94 | 852.33 |
| Profit After Tax (PAT) | 3,153.61 | 2,831.20 | 3,084.38 | 2,552.24 |
| Other Comprehensive Income (Net of Tax) | (1.54) | 2.62 | (1.54) | 2.62 |
| Total Comprehensive Income for the period | 3,152.07 | 2,833.84 | 3,082.84 | 2,554.86 |
| Appropriations | | | | |
| Transfer to General Reserve | - | 2,500.00 | - | 2,500.00 |
| Surplus carried to the next year's account | 2,889.67 | (183.97) | 3,009.26 | 111.60 |

(₹ In Lacs)

OVERVIEW OF COMPANY PERFORMANCE

During the financial year 2022:

- The Standalone Revenue of the Company increased 12.33% to ₹ 37,003.84 Lakhs compared to ₹ 32,940.85 Lakhs in 2020-21.
- The Standalone and Consolidated profit after tax for the current year was ₹ 3,084.38 Lakhs and ₹ 3,152.07 Lakhs respectively as against ₹ 2,554.86 Lakhs and ₹ 2,833.84 Lakhs respectively for the previous year.
- The Consolidated Revenue of the company for the year was ₹ 36,027.44 Lakhs as against ₹ 32,010.57 Lakhs for the previous year.

SHARE CAPITAL

The paid up Equity Share Capital as at March 31st, 2022 was ₹ 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

The Company has transferred an amount Of ₹ 2,750 Lakhs to the General Reserve for the financial year ended March 31st, 2022.

DIVIDEND

The Board of Directors at their meeting held on 30th May, 2022, has recommended payment of ₹ 3/- (Rupees Three only) (30%) per equity share of the face value of ₹10 (Rupees Ten only) each as final dividend for the financial year ended 31st March, 2022. The payment of final dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM) of the Company. 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 30% for the financial year 2021-2022 would absorb ₹ 187.20 Lakh.

In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. The Company shall, accordingly, make the payment of the final dividend after deduction of tax at source.

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 ₹ 24,790/- 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 2013-14.

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 wholly owned subsidiary companies namely Mallcom VSFT Gloves Pvt. Ltd.(VSFT), Best Safety Private Limited

(BSPL) and another subsidiary, Mallcom Safety Pvt. Ltd. (MSPL). The Company regularly monitors the performance of these companies.

The Board in their meeting held on 19th June, 2021 had approved the Scheme of Amalgamation between Mallcom (India) Limited (Transferee Company) and its wholly owned subsidiary Best Safety Private Limited (Transferor Company). An application in this regard has been made to the hon'ble Regional Director, Ministry of Corporate Affairs, Eastern Region.

The Consolidated Profit and Loss Account for the period ended 31st March, 2022, includes the Profit and Loss Account for the subsidiaries for the complete Financial Year ended 31st March, 2022. 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 Indian Accounting Standards and wherever 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.

The policy for determining material subsidiaries as approved may be accessed from the Company website at the www.mallcom.in under the “Codes & Policies” tab.

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.

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.

At the 37th Annual General Meeting of the Company, Mr. Giriraj Kumar Mall (DIN 01043022), erstwhile non-executive director of the Company, was appointed as an executive director and Mr. Himanshu Rai (DIN: 07039217) was appointed as a non-executive Independent Director. No other changes took place in the Board of Director during the year.

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:

- In the preparation of the annual accounts for the year ended March 31st, 2022 the applicable accounting standards have been followed along with proper explanation relating to material departures;
- They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the year;
- 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;
- They have prepared the annual accounts on a going concern basis;
- They have laid down internal financial controls to be followed by the company that are adequate and were operating effectively.
- They have devised proper systems to ensure compliance with the provisions of the applicable laws and these are adequate and are operating effectively.

COMMITTEES OF THE BOARD

Currently, the Board has four committees: Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. A detailed note on the composition of the Board and its committees is provided in the Corporate Governance Report section of this Report.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, 4 (Four) meetings of the Board of Directors were held. The details of the meetings of the Board of Directors of the Company held and attended by the Directors during the financial year 2021-22 are given in the Corporate Governance Report which forms part of this Annual Report.

The maximum interval between any two meetings did not exceed 120 days, as prescribed by the Act.

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of

India on Meetings of the Board of Directors and General Meetings;

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 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.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received the necessary declarations from each Independent Director under Section 149(7) of the Act, that he/she meets the criteria of independence laid down in Section 149(6) of the Act and Regulation 16(1)(b) read with Regulation 25(8) of the SEBI Listing Regulations. The Board have taken on record these declarations after undertaking the due assessment of the veracity of the same.

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

All Independent Directors are familiarized with the operations and functioning of the Company. The details of the training and familiarization program are provided in the Corporate Governance Report.

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 under the “Codes & Policies” tab.

COMMITTEES OF THE BOARD

As on 31st March, 2022, the Board has 4 (Four) committees: Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee.

The Board of Directors in their meeting held on 19th June, 2021 re-organised the memberships of the Nomination and Remuneration Committee and the Stakeholders Relationship Committee. A detailed note on the composition of the Board and its committees, including its terms of reference is provided in the Corporate Governance Report. The composition and terms of reference of all the Committee(s) of the Board of Directors of the Company is in line with the provisions of the Act and Listing Regulations.

During the year, all recommendations made by the committees were approved by the Board.

ANNUAL RETURN

The Annual Return of the Company as on 31st March, 2022 in Form MGT - 7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, is available on the website of the Company www.mallcom.in.

STATUTORY AUDITORS

The Report given by M/s. S. K. Singhanian & Co, Chartered Accountants, on the financial statements of the Company for the financial year 2021-22 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.

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 2021-22.

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 report forms part of this Report as **Annexure – B**. The Secretarial Audit Report does not contain any qualification, reservation and adverse remark.

A Secretarial Compliance Report for the financial year ended 31st March, 2022 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 the stock exchanges.

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 under the "Codes & Policies" tab.

The details of related party disclosure under the relevant accounting standard form 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

During the financial year ended 31st March, 2022, the Company incurred CSR Expenditure of ₹ 40.77 Lakhs. The CSR initiatives of the Company were under the thrust area of health & hygiene, girl child education and promotion of Olympic Sports and training of Sports person. The CSR Policy of the Company is available on the website of the Company under the heading "Codes & Policies" at www.mallcom.in.

The Company's CSR statement and report on the CSR activities undertaken during the financial year ended 31st March, 2022, in accordance with Section 135 of the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out in **Annexure – C** 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 2022, 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 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

In compliance with the provisions of Section 177(9) of the Act and SEBI Listing Regulations, the Company has framed a Whistle Blower Policy / Vigil Mechanism for Directors, employees, and stakeholders for reporting genuine concerns about any instance of any irregularity, unethical practice and/or misconduct. Besides, as per the requirement of Clause 6 of Regulation 9A of SEBI (Prohibition of Insider Trading) Regulations as amended by SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Company ensures to make employees aware of such Whistle Blower Policy to report instances of leak of unpublished price sensitive information. The Vigil Mechanism provides for adequate safeguards against victimisation of Directors or employees or any other person who avails the mechanism and provides direct access to the Chairperson of the Audit Committee. The Whistle Blower Policy may be accessed on the Company's website 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 - E**.

CREDIT RATING

During the year under review, ICRA Limited has provided the long-term rating for the Company's Bank Facilities a rating of [ICRA] A- with a 'Stable' outlook.

DISCLOSURE UNDER 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 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 — F**.

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.

LISTING

The equity shares of the Company continue to be listed on the Bombay Stock Exchange Ltd (BSE) and w.e.f. 2nd February, 2022 on the National Stock Exchange (NSE). The Company has paid the requisite listing fees to all the Stock Exchanges for FY 2022-23.

COVID 19

During the current year ended March 31, 2022, the operations of the Company were slightly impacted due to regional lockdowns caused by the COVID-19 pandemic. The Company has made an assessment of the recoverability and carrying values of its assets comprising property, plant and equipment, inventories, receivables and other current/non-current assets as of March 31, 2022 and on the basis of evaluation, has concluded that no material adjustments are required in the financial statements. The Company is taking all the necessary steps and precautionary measures to ensure smooth functioning of its operations and to ensure the safety and well-being of all its employees.

GREEN INITIATIVES

As a responsible corporate citizen, the Company supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report etc. to Shareholders at their e-mail address previously registered with the DPs and RTAs. To support the 'Green Initiative', Members who have not registered their email addresses are requested to register the same with the Company's Registrar and Share Transfer Agent/Depositories for receiving all communications, including Annual Report, Notices, Circulars, etc., from the Company electronically. Pursuant to the MCA Circulars and SEBI Circulars, copies of the Notice of the 38th AGM and the Annual Report of the Company for the financial year ended 31st March 2022 including therein the Audited Financial Statements for the year 2021-2022, are being sent only by email to the Members.

ACKNOWLEDGEMENT

Your Company has been able to operate responsibly and efficiently because of the culture of professionalism, creativity, integrity, ethics, good governance and continuous improvement in all functions and areas as well as the efficient utilisation of the Company's resources for sustainable and profitable growth. The Directors hereby wish to place on record their appreciation of the efficient and effective services rendered by each and every employee, more particularly during this challenging time, without whose wholehearted efforts, the overall satisfactory performance would not have been possible. Your Directors also record their grateful appreciation for the encouragement, assistance and co-operation received from members, government authorities, banks, customers and all other stakeholders. Your Directors look forward to the long term future with confidence.

For and behalf of the Board

Ajay Kumar Mall

Chairman & Managing Director
(DIN: 00470184)

Date: 30th May, 2022
Place: Kolkata

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 | | (₹ In lakhs) | | |
|------------------------|---|--------------------------|-------------------------------|-----------------------|
| Sl. No. | Particulars | Details | Details | Details |
| 1 | Name of the subsidiary | Mallcom safety Pvt. Ltd. | Mallcom VSFT Gloves Pvt. Ltd. | Best Safety Pvt. Ltd. |
| 2 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 2021-2022 | 2021-2022 | 2021-2022 |
| 3 | Reporting Currency And Exchange Rate As On The Last Date | INR | INR | INR |
| 4 | Share Capital | 300.00 | 489.40 | 232.04 |
| 5 | Reserves & Surplus | 544.95 | 874.35 | 305.22 |
| 6 | Total Liabilities | 1,970.96 | 754.88 | 145.75 |
| 7 | Total assets | 2,815.91 | 2,118.63 | 683.01 |
| 8 | Investment | - | - | - |
| 9 | Turnover | 581.68 | 3,583.04 | 848.39 |
| 10 | Profit/ (loss) before taxation | (214.08) | 342.40 | 1.07 |
| 11 | Provision for taxation | (0.56) | 62.53 | (1.82) |
| 12 | Profit/(loss) after taxation | (213.52) | 279.87 | 2.89 |
| 13 | Proposed dividend | - | - | - |
| 14 | % of shareholding | 50.003 | 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 Reg. No.: 302206E

Rajesh Singhania

Partner
Membership No. : 52722

Place: Kolkata

Date: 30th May 2022

For and on behalf of the Board

A. K. Mall

Chairman and 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. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration 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 31st March, 2022, 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 31st March, 2022, according to the provisions of:

- The Companies Act, 2013 (the Act) and the rules made there under;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;
- 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;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
NOT APPLICABLE

- The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **NOT APPLICABLE**
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **NOT APPLICABLE**
- 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;
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **NOT APPLICABLE** and
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **NOT APPLICABLE**
- The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015, (hereinafter referred to as "Listing Regulation, 2015");
- 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:

- Factories Act, 1948
- The Minimum Wages Act, 1948
- The Employee's Compensation Act, 1923 (Earlier known as Workmen's Compensation Act, 1993)
- The Employees Provident Fund & Miscellaneous Act, 1952
- The Employees' State Insurance Act, 1948
- Employees' State Insurance (General) Regulations, 1950 and Employees' State Insurance (Central) Rules, 1950
- The Payment of Gratuity Act, 1972 and Rules made thereunder
- The Industrial Disputes Act, 1948
- 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.

Signature: Sd/-
Name of Company Secretary in practice:

CS Rakhi Dasgupta
Proprietor: M/s. Rakhi Dasgupta & Associates
Firm: S2019WB692200
ACS No. 28739
CP No.: 20354

Place: Kolkata UDIN: A028739D000442317
Date: 30/05/2022 Peer Review No.: 1342/2021

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

FOR THE FINANCIAL YEAR 2020-21

[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

In accordance with the provisions of the Companies Act, 2013, as amended read with the Notification issued by the Ministry of Corporate Affairs and the rules made thereunder, the Company has framed its CSR Policy to carry out its CSR activities in accordance with Schedule VII of the Act. The Company is one of the pioneers of the Personal Protective Equipment industry in India. Through the values and principles inherent within the Group, the Company strives to positively impact the community by promoting inclusive growth in the areas of education, healthcare, sports, environmental sustainability and conservation etc. Along with sustained economic performance, environmental and social stewardship is also a key factor for holistic business growth. Corporate Social Responsibility is strongly connected with the principles of sustainability. 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 CSR initiatives of the Company aim towards inclusive development of the communities largely around the vicinity of its plants and registered office and at the same time ensure environmental protection through a range of structured interventions in the areas of (i) promoting education, growth and development of children from lower socio- economic section of society (ii) promotion of Health, Safety and Sanitisation (iii) promotion of Olympic Sports. The Company's focus has always been to contribute to the sustainable development of the society and environment and to make our planet a better place for future generations.

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, for the benefit of different sections of the society. The revised CSR Policy may be accessed on the Company's website www.mallcom.in under the "Codes & Policies" tab.

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

The CSR Committee of the Board of Directors of the Company met 1 time on 29th June, 2021 during the financial year ended 31st March, 2022.

3. Web-Link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

The requisite details may be accessed on the Company's website www.mallcom.in under the head "Codes & Policies"

4. Details of impact assessment of CSR projects carried out in pursuance of sub rule (3) of rule 8 of the companies (corporate social responsibility policy) rules, 2014:

Not Applicable

5. Details of the amount available for set off in pursuance of sub rule (3) of rule 7 of the companies (corporate social responsibility policy) rules, 2014 and amount required for set off for the financial year, if any:

Nil

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

₹ 2,558.11 Lakhs

| (₹ In lakhs) | | |
|--------------|--|---------|
| Sl. No. | Particulars | Amounts |
| 7 (A) | Two percent of average net profit of the company as per section 135(5) | 51.16 |
| 7 (B) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years: | - |
| 7 (C) | Amount required to be set off for the financial year, if any | - |
| 7 (D) | Total CSR obligation for the financial year | 51.16 |

8 (A). CSR amount spent or unspent for the financial year 2021 - 2022:

| Total Amount Spent for the Financial Year 2021 – 2022 (₹ in Lakhs) | Amount Unspent (₹ in Lakhs) | | | | |
|--|---|------------------|---|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | |
| | Amount. | Date of transfer | Name of the Fund | Amount | Date of transfer |
| | 40.77 | - | - | 10.39 | |

8 (B). Details of CSR amount spent against ongoing projects for the financial year 2021 - 2022: Nil

8 (C). Details of CSR amount spent against other than ongoing projects for the financial year 2021- 2022:

(₹ in Lakh)

| Sl. No. | Name of the Project. | Item from the list of activities in Schedule VII to the Act | Local area (Yes/No). | Location of the project. | | Amount spent for the project | Mode of implementation -Direct (Yes/No) | Mode of Implementation - Through Implementing Agency | |
|---------|---|---|----------------------|--------------------------|----------|------------------------------|---|--|------------------|
| | | | | State | District | | | Name | CSR Registration |
| 1 | Training & Promotion of Olympics Sports via Para Badminton Athlete Ms. Manasi Joshi | Para-lympics Sports | - | - | - | 20 | Yes | - | - |
| 2 | Education of underprivileged children | Childhood Education | Yes | West Bengal | Kolkata | 20.77 | No | Karani Dan Mall Charitable Trust | No.: CSR00015870 |

8 (D). Amount spent in administrative overheads: Nil

8 (E). Amount spent on impact assessment, if applicable: Not Applicable

8 (F). Total amount spent for the financial year 2020 – 2021: ₹ 40.77 Lakhs

8 (G). Excess amount for set off, if any:

(₹ in Lakh)

| Sl. No. | Particulars | Amounts |
|---------|---|---------|
| i | Two percent of average net profit of the company as per Section 135(5) | 51.16 |
| ii | Total amount spent for the Financial Year | 40.77 |
| iii | Excess amount spent for the financial year (ii-i) | - |
| iv | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | - |
| v | Amount available for set off in succeeding financial years (iii-iv) | - |

9(A). Details of unspent CSR amount for the preceding three financial years: Nil

9(B). Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year (s): Nil

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired

through CSR spent in the financial year (asset wise details): Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):

The total amount required to be spent by the Company towards CSR Projects for the Financial Year 2021-2022 was ₹ 51.16 lakhs. As against the required sum, the Company had spent an amount of ₹ 40.77 lakhs in aggregate towards various CSR Projects. The CSR funds amounting to ₹ 10.39 Lakhs which was allocated towards promotion of Olympic and Paralympic Sports by supporting training of various athletes could not be spent during the financial year due to disruptions in training schedule of athletes as well as postponement of various national and international tournaments due to the COVID19 pandemic. Pursuant to the recommendation of the CSR committee and subsequent approval by the Board of Directors and at their meeting held on May 30, 2022, the unspent amount shall be deposited by the Company to selected funds specified under Schedule VII within the stipulated timeline prescribed under the Companies Act, 2013.

Ajay Kumar Mall

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

Giriraj Kumar Mall

Director & Member of CSR Committee
DIN:01043022

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 31st March, 2022 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 |
| 5 | ARINDAM BOSE | 05202786 | 01/04/2020 |
| 6 | HIMANSHU RAI | 07039217 | 19/10/2020 |

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.

CS Rakhi Dasgupta
Membership No.: ACS-28739
CP No.: 20354

Place: Kolkata
Date : 30/05/2022
UDIN: A028739D000444321
Peer Review No.: 1342/2021

Annexure - E

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 2021-22, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22 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 2021-22 (₹ in Lakh) | % increase in Remuneration in FY 2021-22 | Ratio of remuneration of each Director to median remuneration of employees |
|---------|---|--|--|--|
| 1. | Ajay Kumar Mall Managing Director | 41.85 | 8.30 | 16.88 |
| 2. | Giriraj Mall Director | 31.54 | NA | 14.65 |
| 3. | Ravindra Pratap Singh Independent Director | NA | NA | NA |
| 4. | Barsha Khattry Independent Director | NA | NA | NA |
| 5. | Arindam Bose Director | NA | NA | NA |
| 6. | Himanshu Rai Independent Director | NA | NA | NA |
| 7. | Shyam Sundar Agrawal Chief Financial Officer | 14.95 | 6.79 | NA |
| 8. | Shuvanki Purakayastha Company Secretary | 5.13 | 13.25 | 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 ₹ 2.48 Lakh. There was an increase of 11.21% in the median remuneration of employees during the financial year.

There were 374 permanent employees on the rolls of Company as on March 31, 2022.

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 was 15.32% while percentile increase in the Managerial Remuneration is 8.30%. The average increase reflects 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 & CEO

Annexure - F

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 sites including installation of solar panels for generating electricity and during the Financial Year 2021-22 has further increased the usage of rice husk in its manufacturing activities.

(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) | |
|---------------------------|--------------|-----------|
| | 2021-22 | 2020-21 |
| Foreign Exchange earnings | 21,805.39 | 21,312.02 |
| Foreign Exchange Outgo | 3,197.41 | 5,034.65 |

For and behalf of the Board

Ajay Kumar Mall
Chairman, Managing Director & CEO

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Highlights of Financial Performance:

| Sl. No. | Particulars | Standalone | | Consolidated | |
|---------|------------------------------------|------------|-----------|--------------|-----------|
| | | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| 1. | Net Sales/ Income from Operations | 36,703.79 | 32,632.95 | 35,722.85 | 31,688.45 |
| 2. | Other Income from Operations | 309.27 | 307.90 | 313.81 | 322.12 |
| 3. | Total Income from Operations (1+2) | 37,013.06 | 32,940.85 | 36,036.66 | 32,010.57 |
| 4. | Total Expenditure | 32,893.43 | 29,536.28 | 31,787.65 | 28,265.08 |
| 5. | Operating Profit | 4,900.1 | 4,023.39 | 5,282.17 | 4,483.37 |
| 6. | Operating Margin | 13.35% | 12.33% | 14.79% | 14.15% |
| 7. | Depreciation | 596.77 | 460.96 | 828.84 | 578.08 |
| 8. | Provision for Tax | 1,033.23 | 852.33 | 1,093.38 | 914.28 |
| 9. | Profit/Loss after Tax | 3,086.40 | 2,552.24 | 3,155.63 | 2,831.21 |

Cash Flow Analysis:

| Sl. No. | Particulars | Standalone | | Consolidated | |
|--------------|--|----------------|-----------------|------------------|-----------------|
| | | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| 1. | Cash flow from Operations | 264.89 | 2,216.79 | 124.60 | 1,882.32 |
| 2. | Non-Operating Cash flows | 7303.91 | (3,150.25) | 10,697.99 | 681.92 |
| 3. | Increase/ (Decrease) in Cash & Cash Equivalent | (245.26) | 2,479.74 | (212.01) | 2,536.55 |
| Total | | 7323.54 | 1,546.28 | 10,610.58 | 5,100.79 |

Use of Cash

| | | | | | |
|--------------|---|-----------------|-----------------|------------------|-----------------|
| 1. | Net Capital Expenditure | 1,532.67 | 1,384.00 | 2,380.52 | 2,667.45 |
| 2. | Financial Expenses | 183.70 | 157.86 | 725.58 | 159.80 |
| 3. | Dividend (Including Dividend Tax) | 187.20 | 124.80 | 187.2 | 124.80 |
| 4. | Direct Taxes Paid | 1,117.3 | 829.61 | 1,206.36 | 849.76 |
| 5. | Increase/ (Decrease) in Non-Current Investments | 1,878.58 | 462.11 | 1,878.58 | 246.61 |
| 6. | Repayment of borrowings | (788.72) | (2,094.39) | 588.72 | (2,094.39) |
| 7. | Net Change in Working Capital | 3,212.81 | 682.29 | 3,643.62 | 3,146.76 |
| Total | | 7,323.54 | 1,546.28 | 10,610.58 | 5,100.79 |

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.

Mallcom (India) Ltd.'s governance structure comprises of Board of Directors, Committees of the Board and the Management.

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 1 (One) Independent Woman Director. As on the date of this Report, the Board comprised of 6 (Six) members, 3 (three) of which are Independent Directors constituting half of the Board strength, 1 (one) is Non-Executive Director and 2 (two) Executive Directors. The Chairperson of the Board is an Executive Director who is also the Managing director & CEO. The composition of the Board is in conformity with the requirements of Regulation 17 of the Listing Regulations as well as the Act read with the Rules issued thereunder.

The Board meets at least 4 (Four) times a year and more if Company needs additional oversight and guidance. During the Financial Year 2021-22, 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.

The Company is fully in compliance with the requirements specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including any statutory modifications or re-enactments thereof, (hereinafter referred to as the "SEBI Listing Regulations").

BOARD PROCEDURES AND FLOW OF INFORMATION

The Board/Committee meetings are pre-scheduled and tentative dates of Board and Committee meetings are circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. The Agenda of the Board / Committee Meetings is set up by the Company Secretary and includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision. All the statutory and other significant and material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of Shareholders. The Agenda for the Board and Committee Meetings cover items set out as per the guidelines in Listing Regulations to the extent it is relevant and applicable. The Agenda for the meetings is circulated well in advance to the Directors to ensure that sufficient time is provided to Directors to prepare for the meeting.

Keeping in view the underlying objective of the Company to impart and enhance the implementation of Green Initiatives across the organisation and with a view to leverage technology and reduce paper consumption, the Company has adopted a practice of making electronic presentation of the Agendas of Board Meeting and other Committee Meetings in the form of a power point presentation. In order to facilitate effective discussions at the meetings, the agenda is bifurcated into items requiring approval and items which are to be taken note of the Board. Clarification/ queries, if any, on the items which are to be noted/ taken on record by the Board are sought and resolved promptly.

The Board has complete access to all Company-related information. The management makes concerted efforts to continuously upgrade the information available to the Board for decision making and the Board members are updated on all key developments relating to the Company. The Company Secretary attends all the meetings of the Board and its Committees and is, inter alia, responsible for recording the minutes of such meetings. The draft minutes of the Board and its Committees are sent to the members for their comments in accordance with the Secretarial Standards. Thereafter, the minutes are entered in the minutes book within 30 (thirty) days of conclusion of the meetings, subsequent to incorporation of the comments, if any, received from the Directors. The maximum interval between any 2 (two) consecutive Board Meetings was well within the maximum allowed gap of 120 (one hundred and twenty) days.

COMPOSITION AND CATEGORY OF DIRECTORS

As at 31st March, 2022, the composition of the Board of Directors of the Company, their attendance at Board Meetings/Annual General Meeting held during the year 2021-22 and the number of Directorships and Committee Chairmanships/Memberships held by them in other Companies are given herein below:

| Name Of Directors | Category Of Directorship | No. Of Board Meetings | | Attendance at the Last AGM held on 24.09.2020 | No. Of Directorship held in other Companies | No. Of Other Committee | | No. of Shares and Convertible instruments held by Non-Executive Directors. |
|--|--|-----------------------|----------|---|---|------------------------|----------|--|
| | | Held | Attended | | | Members | Chairman | |
| Mr. Ajay Kumar Mall (DIN:00470184) | Chairman, Managing Director & CEO | 4 | 4 | Yes | Nil | Nil | Nil | NA |
| Mr. Giriraj Kumar Mall (DIN:01043022) | Executive Director | 4 | 4 | Yes | Nil | Nil | Nil | 47823 |
| Mr. Ravindra Pratap Singh (DIN: 00240910) | Non-Executive, Independent Director | 4 | 3 | No | Nil | Nil | Nil | Nil |
| Dr. Barsha Khattry (DIN: 01974874) | Non-Executive, Independent Director | 4 | 4 | Yes | Nil | Nil | Nil | Nil |
| Mr. Arindam Bose (DIN 05202786) | Non-Executive Non-Independent Director | 4 | 3 | Yes | Nil | Nil | Nil | Nil |
| Dr. Himanshu Rai (DIN 07039217) (Non-Executive, Independent) | Additional Director | 4 | 4 | No | 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 THEIR DATES

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 2021-22 i.e, on 19th June, 2021, 31st July, 2021, 12th November, 2021 and 11th February, 2022. 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. The necessary quorum was present for all the meetings.

Schedule IV of the Act, Listing Regulations and Secretarial Standard - 1 on Meetings of the Board of Directors mandates that the Independent Directors of the Company hold at least one meeting in a year, without the attendance of Non-Independent Directors. During the financial year 2021-22, separate meeting of the Independent Directors were held on 19th June, 2021.

DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE

Mr. Ajay Kumar Mall, Chairman, Managing Director and CEO, is the brother of Mr. Giriraj Kumar Mall, Executive Director.

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.

The Independent Directors of the Board met on 19th June, 2021, without the presence of the Non-Independent Directors and members of the Management, inter alia to evaluate:

- Performance of Non-Independent Directors, the Board as a whole including its Committees

- Performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- The quality, quantity and timeliness of flow of information between the Company Management and the Board.

All Independent Directors were present at the meeting.

DECLARATIONS

The Company has received declarations from the Independent Directors that they meet the criteria of Independence laid down under the Act and the Listing Regulations. The Independent Directors have also confirmed that they have registered themselves in the databank of persons offering to become Independent Directors. The Board of Directors, based on the declaration(s) received from the Independent Directors, confirm that the Independent Directors fulfil the conditions of independence specified in the Listing Regulations and the Act and are independent of the Management of the Company.

DETAILS OF FAMILIARISATION PROGRAMMES IMPARTED TO INDEPENDENT DIRECTORS

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 fulfil 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.

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 |
| 5 | Mr. Arindam Bose | Investment Banking, Private Equity and Wealth Management |
| 6 | Dr. Himanshu Rai | Strategic Business Negotiation, Organizational Behaviour, Quality Assurance and Business Communication. |

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 exercises 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. All Board members, Key Managerial Personnel and Senior Management Personnel have affirmed compliance with the code for the year ended on 31st March, 2022. Declaration to this effect signed by the Managing Director for the year ended on March 31, 2022 has been included in this report.

COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities as mandated by applicable regulations, which concern the Company and need a closer review. The Chairman of the respective Committee(s) brief the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meetings of all Committees are placed before the Board for review. The Board Committees request special invitees to join the meeting, as and when appropriate.

During the year, all recommendations of the Committees of the Board which were mandatorily required, have been accepted by the Board. The terms of reference of the Committees are in line with the provisions of the Listing Regulations, the Act and the Rules issued thereunder. The Company currently has 4 (Four) Committees of the Board, namely, Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee.

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

b) 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.

c) 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 i.e, on 19th June, 2021, 31st July, 2021, 12th November, 2021 and 11th February, 2022. The gap between the two meetings was not more than 120 days. The necessary quorum was present for all the meetings. The Annual Accounts for the year ended 31st March, 2021 was reviewed by the Audit Committee at its Meeting held on 19th June, 2021. The Audit Committee also reviewed the Audited Financial Results for the year ended 31st March, 2021 and Unaudited Financial Results for the quarters ended 30th June, 2021, 30th September, 2021 and 31st December, 2021 before recommending their adoption to the Board.

The Chairman of the Audit Committee attended the 37th Annual General Meeting of the Company held on 9th September, 2021 to answer the shareholder's queries. The Company Secretary acts as the Secretary of the Committee. All Members of the Audit Committee are financially literate and have accounting and related financial management expertise.

The details of member's attendance at the Audit Committee Meetings during the financial year 2021-22 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 | Executive Director | 4 | 4 |
| 3. | Dr. Barsha Khattry (DIN: 01974874) | Member | Non-Executive, Independent Director | 4 | 4 |

ROLE OF INTERNAL AUDITOR

The Internal Audit has a well laid internal audit methodology, which assesses and promotes strong ethics and values within the organization and facilitates in managing changes in the business and regulatory environment. It encompasses all the aspects of business such as operational, financial, information systems, risk management and all the regulatory compliances are reviewed periodically. The Internal Auditor makes presentations and reports to the Audit Committee of the Board of Directors of the Company on a quarterly basis pertaining to the key internal audit findings and the action plan agreed with the Management.

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 19th June, 2021 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 2021-22 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. Arindam Bose (DIN: 05202786) | Member | Non-Executive, Non- Independent Director | 1 | 1 |

On, 19th June, 2021, with the committee was reconstituted and Mr. Arindam Bose (DIN 05202786) was inducted as a member of the committee replacing Mr. Giriraj Kumar Mall (DIN:01043022).

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.

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 2021-22 are as:-

| Name of Executive Director | Category | Salary (₹ In Lakhs) | Perquisites | No. of Shares Held As On 31.03.2021 |
|---------------------------------------|-------------------|---------------------|-------------|-------------------------------------|
| Mr. Ajay Kumar Mall (DIN:00470184) | Managing Director | 41.87 | Nil | 10,25,320 |
| Mr. Giriraj Kumar Mall (DIN:01043022) | Director | 36.33 | Nil | 47,823 |

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 2021-22 are as follows:

| Name of Executive Director | Category | Sitting Fees | Commission | No. Of Shares Held As On 31.03.2021 |
|---|---|--------------|------------|-------------------------------------|
| Mr. Ravindra Pratap Singh (DIN: 00240910) | Non-Executive, Independent Director | 72,000 | Nil | Nil |
| Dr. Barsha Khattry (DIN: 01974874) | Non-Executive, Independent Director | 96,000 | Nil | Nil |
| Mr. Arindam Bose (DIN 05202786) | Non-Executive, Non - Independent Director | 60,000 | Nil | Nil |
| Dr. Himanshu Rai (DIN 07039217) | Non-Executive, Independent Director | 80,000 | Nil | Nil |

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 19th June, 2021 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:01043022) | Member | Executive Director | 1 | 1 |
| 2. | Mr. Ajay Kumar Mall (DIN:00470184) | Chairperson | Managing Director | 1 | 1 |
| 3. | Dr. Barsha Khattry (DIN: 01974874) | 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 of declared dividend etc.;
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.

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. Arindam Bose (DIN 05202786) | Chairperson | Non-Executive, Non- Independent Director | 1 | 1 |
| 2. | Mr. Ajay Kumar Mall (DIN:00470184) | Member | Managing Director | 1 | 1 |
| 3. | Dr. Barsha Khattry (DIN: 01974874) | Member | Non-Executive, Independent Director | 1 | 1 |

During the year, the Stakeholders Relationship Committee met on 19th June, 2021 and the requisite quorum was present at the meeting. Company Secretary is designated as the Compliance Officer.

Name and designation of the Nodal Officer for IEPF related matters: Mr. Ajay Kumar Mall, Managing Director.

The Status of Investor Complaints as on March 31, 2022, as reported under the Listing Regulations are as under:

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

The requests for transfer of shares, if any, have been processed on time and there were no transfer pending for more than 15 days.

On, 19th June, 2021, with the committee was reconstituted and Mr. Arindam Bose (DIN 05202786) was inducted as a member of the committee replacing Mr. Giriraj Kumar Mall.

The Chairman of the Stakeholders Relationship Committee attended the 37th Annual General Meeting of the Company held on 9th September, 2021 to answer the shareholder's/ investor's queries.

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 |
|---------------------------------------|------------------------------------|---|-----------------------------------|
| Thirty-Seventh Annual General Meeting | 9th September, 2021 at 12.00 noon | Conducted through Video Conferencing/Other Audio Visual Means. Deemed location is the Registered Office of the Company at EN-12, Sector-V, Salt Lake, Kolkata - 700091 | Yes |
| Thirty-Sixth Annual General Meeting | 24th September, 2020 at 12:05 p.m. | Conducted through Video Conferencing/Other Audio Visual Means. Deemed location is the Registered Office of the Company at EN-12, Sector-V, Salt Lake, Kolkata - 700091 | No |
| 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 |

SPECIAL RESOLUTION PASSED LAST YEAR THROUGH POSTAL BALLOT

Nil

The Shareholders had, however, passed the following Resolution as Ordinary Resolution by requisite majority by way of postal ballot through voting through electronic means –

a) Approval of the Scheme of Amalgamation of Best Safety Private Limited (Transferor Company/ the wholly owned subsidiary of Transferee Company) with Mallcom (India) Limited (Transferee Company) through Fast Track Route of Amalgamation as provided under Section 233 of the Companies Act 2013.

Brief particulars of the postal ballot are provided below:

- The Board of Directors of the Company appointed Mrs. Rakhi Dasgupta, proprietor of M/s. Rakhi Dasgupta & Associates, Practicing Company Secretaries (M.No. A28739), as the Scrutinizer for the postal ballot conducted through e-voting;
- Dispatch of the Postal Ballot Notice dated 12th November, 2021, along with the Explanatory Statement, were completed on 26th November, 2021 through electronic mode to all those Members, whose email addresses are registered with the Company or with the Company's Registrar and Share Transfer Agent ("RTA") or with their respective Depository Participants ("Depository"), in compliance with the MCA Circulars and SEBI Circulars.
- The Postal Ballot Notice was also posted on the website of the Company namely www.mallcom.in.
- With regard to the Postal Ballot Notice of the Company dated 12th November, 2021, e-voting commenced at 9:00 a.m. (IST) on Saturday 27th November, 2021 and ended at 5:00 p.m. (IST) on Sunday 26th December, 2021.
- The proposed Resolution was passed with requisite majority and the Voting Result was duly intimated to the Stock Exchanges pursuant to Regulation 44(3) of the SEBI Listing Regulations as well as displayed on the Company's website at www.mallcom.in.

MEANS OF COMMUNICATION

- 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 English and in Bengali and leading newspapers.
- Website:** These results are simultaneously posted on the website of the Company at 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.
- 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: Monday

Date: 19th September, 2022

Time: 11:00AM

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 (₹) | Total Dividend Amount (In ₹) |
|----------------|----------------------|------------------------|------------------------------|
| 2017 | 20 | 2.00 | 1,24,80,000 |
| 2018 | 20 | 2.00 | 1,24,80,000 |
| 2019 | 20 | 2.00 | 1,24,80,000 |
| 2020 | 20 | 2.00 | 1,24,80,000 |
| 2021 | 30 | 3.00 | 1,87,20,000 |

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 Mallcom (India) Ltd. are listed on BSE Limited and National Stock Exchange of India Limited. The annual listing fees and custodian fees have been paid to the Stock Exchanges and Depositories within the stipulated due dates. The Company makes timely disclosures of necessary information to BSE and NSE in terms of the Listing Regulations and other applicable rules and regulations issued by the SEBI.

g) Stock code

BSE scrip code - 539400

NSE Scrip Name - MALLCOM

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

Email- nichetechpl@nichetechpl.com

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, 2022 is as follows:

| Particulars | No. of Shares | % of Shares |
|-----------------------|---------------|-------------|
| Dematerialised Shares | 6225282 | 99.76 |
| Physical Shares | 14718 | 0.24 |
| Total Issued Capital | 6240000 | 100.00 |

k) Monthly Comparison Chart of the Share Prices (in ₹) with the NSE Nifty and BSE SENSEX along with the No. of Shares traded during the period April, 2021 to March, 2022:

| Month | Nifty / Sensex (Close) | | Share Price (Close) (₹) | | No. of Shares Traded | |
|-----------------|------------------------|----------|-------------------------|--------|----------------------|----------|
| | NSE | BSE | NSE | BSE | NSE | BSE |
| April, 2021 | 14631.10 | 48782.36 | - | 624.20 | - | 1,05,576 |
| May, 2021 | 15582.80 | 51937.44 | - | 627.05 | - | 74,939 |
| June, 2021 | 15721.50 | 52482.71 | - | 608.40 | - | 82,998 |
| July, 2021 | 15763.05 | 52586.84 | - | 639.30 | - | 44,763 |
| August, 2021 | 17132.20 | 57552.39 | - | 616.50 | - | 87,221 |
| September, 2021 | 17618.15 | 59126.36 | - | 672.25 | - | 1,17,745 |
| October, 2021 | 17671.65 | 59306.93 | - | 666.25 | - | 1,03,331 |
| November, 2021 | 16983.20 | 57064.87 | - | 690.90 | - | 41,765 |
| December, 2021 | 17354.05 | 58253.82 | - | 761.50 | - | 39,237 |
| January, 2022 | 17339.85 | 58014.17 | - | 882.60 | - | 47,206 |
| February, 2022 | 16793.90 | 56247.28 | 809.30 | 813.45 | 5,594 | 22,783 |
| March, 2022 | 17464.75 | 58568.51 | 757.10 | 758.10 | 6,626 | 19,099 |

i) Market Price high, low, close during each month from April, 2021 to March, 2022 (in ₹) (as available from the website of National Stock Exchange of India Limited and BSE Limited):-

| Month | Nifty / Sensex (Close) | | Share Price (Close) (₹) | | No. of Shares Traded | |
|-----------------|------------------------|--------|-------------------------|--------|----------------------|--------|
| | NSE | BSE | NSE | BSE | NSE | BSE |
| April, 2021 | - | 668.80 | - | 373.20 | - | 624.20 |
| May, 2021 | - | 721.25 | - | 577.80 | - | 627.05 |
| June, 2021 | - | 679.00 | - | 591.00 | - | 608.40 |
| July, 2021 | - | 669.90 | - | 596.00 | - | 639.30 |
| August, 2021 | - | 650.00 | - | 571.00 | - | 616.50 |
| September, 2021 | - | 700.00 | - | 601.30 | - | 672.25 |
| October, 2021 | - | 818.00 | - | 639.10 | - | 666.25 |
| November, 2021 | - | 794.40 | - | 651.20 | - | 690.90 |
| December, 2021 | - | 794.40 | - | 655.10 | - | 761.50 |
| January, 2022 | - | 985.00 | - | 714.00 | - | 882.60 |
| February, 2022 | 924.30 | 976.00 | 735.15 | 685.00 | 809.30 | 813.45 |
| March, 2022 | 761.65 | 824.95 | 705.55 | 672.00 | 757.10 | 758.10 |

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

Not Applicable

n) Distribution of Shares:

The shareholding distribution of the equity shares as on March 31, 2022 is given below:-

| Group Of Shares | No. of Shareholders | % of Shareholders | No. of Shares Held | % of Shareholding |
|------------------|---------------------|-------------------|--------------------|-------------------|
| 1 to 500 | 2594 | 94.84 | 1,55,748 | 2.50 |
| 501 to 1000 | 67 | 2.45 | 53,051 | 0.85 |
| 1001 to 5000 | 49 | 1.79 | 98,868 | 1.58 |
| 5001 to 10000 | 8 | 0.29 | 56,353 | 0.90 |
| 10001 to 50000 | 7 | 0.26 | 2,63,663 | 4.23 |
| 50001 to 100000 | 3 | 0.11 | 2,65,300 | 4.25 |
| 100001 and above | 7 | 0.26 | 53,47,017 | 85.69 |
| TOTAL | 2735 | 100.00 | 62,40,000 | 100.00 |

o) Shareholding Pattern:

The shareholding of different categories of the shareholders as on March 31, 2022 is given below:-

| Group Of Shares | No. of Shares Held | % of Shareholding |
|------------------|--------------------|-------------------|
| 1 to 500 | 1,55,748 | 2.50 |
| 100001 and above | 53,47,017 | 85.69 |
| TOTAL | 62,40,000 | 100.00 |

p) Outstanding GDRs /ADRs /Warrants or any Convertible instruments:

Not Applicable.

q) 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.

r) 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) – 743502

(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

s) 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: investors@mallcom.in
Website: www.mallcom.in

t) Credit Rating

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

u) 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.

v) Website:

The Company ensures dissemination of applicable information under Regulation 46(2) of the Listing Regulations on the Company's website at www.mallcom.in. There is a separate section on the website of the Company containing details relating to the financial results declared by the Company, annual reports, presentations made by the Company to investors, press releases, shareholding patterns and such other material information which is relevant to shareholders.

w) Secretarial Compliance Report:

The Company has undertaken an Annual Secretarial Compliance Audit for the financial year 2021-22 for all applicable compliances as per SEBI Regulations and Circulars/ Guidelines issued thereunder. Accordingly, the Annual Secretarial Compliance Report for the financial year ended 31st March, 2022 was submitted to the Stock Exchanges within the prescribed timeline.

x) Secretarial Audit Report

The Company has undertaken Secretarial Audit for the financial year 2021-22 which, inter-alia, includes audit of compliance with the Act, and the Rules made under the Act, Listing Regulations and applicable Regulations prescribed by SEBI, Secretarial Standards issued by the Institute of Company Secretaries of India and other allied laws. The Secretarial Audit Report forms a part of this Annual Report.

y) Code for Prevention of Insider Trading Practices

In compliance with the SEBI Regulation on Prohibition of Insider Trading, the Company has in place a comprehensive Code of Conduct to Regulate, Monitor and Report Trading by Insiders, for its Directors and Senior Management Officers. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with the shares of the Company. The Code clearly specifies, among other matters, that Directors and Designated Persons of the Company, as defined in the Code, can trade in the shares of the Company only during 'Trading Window Open Period'. The trading window is closed during the time of declaration of results, dividend and other material events as per the Code. The intimation of the closure of Trading Window, as per the SEBI Regulations on Prohibition of Insider Trading, is given to the Stock Exchanges before the end of every quarter with effect from the 1st day of the month immediately succeeding the end of every quarter till 48 hours after the declaration of financial results of the Company to the Stock Exchanges. The same is intimated to the Designated Persons as well. Annual Declarations containing the disclosures of holding of securities have been obtained from all the Directors and the Designated Persons of the Company for the financial year ended 31st

March, 2021. Besides, a declaration has also been obtained from the Managing Director of the Company ensuring compliance with the SEBI (Prohibition of Insider Trading) Regulations as amended. The Code of Conduct is available on the website of the Company www.mallcom.in under "Codes & Policies" section.

OTHER DISCLOSURES

i. All transaction entered into by the Company with related parties, during the financial year 2020-21, were in ordinary course of business and on arm's length basis. The details of the Related Party Transactions are set out in the Notes to Financial Statements forming part of this Annual Report. The Related Party Transactions undertaken by the Company were in compliance with the provisions set out in the Act read with the Rules issued thereunder and relevant provisions of the Listing Regulations. During the year 2020-2021, the Company had no significant material transaction with its related parties, which is considered to have potential conflict with the interest of the Company at large. The policy on dealing with related party transactions is available on the website of the Company www.mallcom.in under "Codes & Policies" section.

ii. In accordance with the provisions of Regulation 26(6) of the Listing Regulations, the Key Managerial Personnel, Director(s), Promoter(s) and Employees including Senior Management Personnel of the Company have affirmed that they have not entered into any agreement for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

iii. 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.

iv. 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 under the "Codes & Policies" section.

v. The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

vi. The Company does not have any material subsidiary Company in terms of Regulation 16 of the Listing Regulations. The synopsis of the minutes of the Board meetings of the subsidiary companies are placed at the Board meeting of the Company on quarterly basis. The Audit Committee reviews the financial statements including investments by the unlisted subsidiaries of the Company. 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 under the "Codes & Policies" section.

- vii. On the basis of written representations/ declaration received from the Directors, as on 31st March, 2022, 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 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 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.
- xii. The Company has not raised funds through preferential allotment or Qualified Institutional Placement.

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 and on www.bseindia.com.
- iii. Modified option(s) in Audit Report: The Auditors of the company have issued an unmodified report on financial statements for FY 2021-22.
- 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, 2021.

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.

ACCEPTANCE OF RECOMMENDATIONS OF ANY COMMITTEE OF THE BOARD

All the recommendations made by any Committee of the Board during the financial year 2021-2022 have been duly accepted and taken on record by the Board of Directors of the Company.

FEES PAID ON A CONSOLIDATED BASIS TO THE STATUTORY AUDITOR

The total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor for the financial year 2021-22 is ₹ 7.40 Lakhs.

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 Circulars issued by the Ministry of Corporate Affairs, 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.

For and on behalf of the Board

Ajay Kumar Mall

Chairman and Managing Director
(DIN:00470184)

Place: Kolkata
Date: 30th May, 2022

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

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 31st March, 2022.

Date: 30th May, 2022
Place: Kolkata

Ajay Kumar Mall
Managing Director & CEO

CERTIFICATION BY CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO)

To,
The Board of Directors
Mallcom (India) Limited

We, Ajay Kumar Mall, Managing Director & CEO and Shyam Sundar Agrawal, CFO of Mallcom (India) Limited, certify that:

- a) We have reviewed the Financial Statements and the Cash Flow Statement for the financial year ended 31st March, 2022 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, 2022, 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
Chairman Managing Director & CEO
DIN: 00470184
Date: 30th May, 2022
Place: Kolkata

Sham Sundar Agrawal
Chief Financial Officer

CORPORATE GOVERNANCE CERTIFICATE

To,
The Members
Mallcom (India) Limited
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 31st March, 2022 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.

CS Rakhi Dasgupta
Membership No.: ACS-28739
CP No.: 20354

Date- 30th May, 2022
Place- Kolkata
UDIN: A028739D000444330
Peer Review No.: 1342/2021

FIVE YEARS HIGHLIGHTS

(₹ In Lacs)

A. Profit & Loss Statement

| Particulars | 2021-22 | 2020-21 | 2019-20 | 2018-19 | 2017-18 |
|-----------------------------------|-----------|-----------|-----------|-----------|-----------|
| Revenue from Operations | 36,703.79 | 32,632.95 | 28,769.09 | 30,072.74 | 24,830.22 |
| Other Income | 309.27 | 307.90 | 45.86 | 21.31 | 80.76 |
| Total Revenue | 37,013.06 | 32,940.85 | 28,814.95 | 30,072.74 | 24,910.98 |
| EBIDTA | 4,900.10 | 4,023.39 | 3,338.32 | 3,032.04 | 2,337.47 |
| Depreciation & Amortizations | 596.77 | 460.96 | 468.78 | 467.11 | 427.91 |
| Exceptional & Extraordinary items | - | - | 152.99 | - | - |
| Finance Costs | 183.7 | 157.86 | 256.23 | 390.5 | 413.08 |
| Profit Before Tax | 4,119.63 | 3,404.57 | 2,460.32 | 2,174.43 | 1,496.48 |
| Tax Expenses | 1033.23 | 852.33 | 634.25 | 766.06 | 513.99 |
| Net Profit | 3,086.40 | 2,552.24 | 1,826.07 | 1,408.37 | 982.49 |
| Cash Profit (in ₹) | 3,683.17 | 3,013.2 | 2,294.85 | 1,875.48 | 1,417.04 |
| Basic and Diluted EPS (In ₹) | 49.46 | 40.90 | 29.26 | 22.57 | 15.79 |

B. Balance Sheet

| Particulars | 2021-22 | 2020-21 | 2019-20 | 2018-19 | 2017-18 |
|-------------------------------------|-----------|-----------|-----------|----------|----------|
| Net Block of Fixed Assets | 3,488.74 | 3,242.43 | 2,809.92 | 3,046.33 | 3,083.19 |
| Shareholders Fund/ Capital Employed | 32,545.57 | 12,873.09 | 10,443.02 | 8,753.63 | 7,434.66 |

C. Key Ratios

| Particulars | 2021-22 | 2020-21 | 2019-20 | 2018-19 | 2017-18 |
|---------------------------------------|---------|---------|---------|---------|---------|
| EBIDTA to Revenue from Operations (%) | 13.35 | 12.33 | 11.60 | 10.08 | 9.41 |
| Return on Equity (Net Worth) % | 9.48 | 19.83 | 17.49 | 16.09 | 13.21 |

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Mallcom (India) Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone financial statements of MALLCOM (INDIA) LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2022, the statement of Profit and Loss, (including other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information. (herein after referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the State of Affairs of the Company as at March 31, 2022, its Profit (including other comprehensive income), its Cash Flows and the statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone 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

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. In addition, we have determined the matters described below as Key Audit Matters and our description of how our audit addressed the matter is provided in that context.

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

(i) Completeness, existence and accuracy of Revenue Recognition (Refer to Note 3.14 and 23 to the standalone financial statements)

| Key Audit Matters | How the matter was addressed in our audit |
|---|---|
| Revenue is one of the key profit drivers and is therefore susceptible to misstatement. 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 reviews its sales contracts as per AS-115 for determining the principles for recognizing revenue in accordance with the new standard. | Principal audit procedures: 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. 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. c) Selected a sample of contracts and reassessed contractual terms to determine adherence to the requirements of the new accounting standard. |

(ii) Existence and Valuation of Inventories (Refer note 3.9 and 9 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 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> <ol style="list-style-type: none"> 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. Assessing whether items in the inventory ageing report prepared by the management were classified within the appropriate ageing bracket; 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 2022 during the current year to assess the historical accuracy of management's inventory provisioning process; 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. Attending cyclical inventory counts at various godowns & 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. |

Information other than the Financial Statements and Auditors' Report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the standalone financial statements and our auditor's report thereon. The aforesaid documents are expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and the statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015 as amended. 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 implementation and maintenance of 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 standalone financial

statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

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

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

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

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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

- As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- As required by Section 143(3) of the Act, we report that:
 - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - 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.
 - The standalone Balance Sheet, the standalone Statement of Profit and Loss (including Other Comprehensive Income), the standalone Statement of changes in Equity and the standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of

the Companies (Indian Accounting Standards) Rules, 2015 as amended.

- e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations as at 31st March 2022 on its financial position in its standalone Ind AS financial statements, refer notes to the standalone Ind AS financial statements;
 - (ii) The company has made provision for material foreseeable losses on long-term derivative contracts, as required under the applicable laws or Ind AS in these standalone financial statements,
 - (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.

- (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary

shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- (v) (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) The Company has neither declared nor paid any interim dividend during the year.
- (c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

For S. K. SINGHANIA & CO.
CHARTERED ACCOUNTANTS,
(Firm Registration No. 302206E)

(RAJESH KR. SINGHANIA
M. NO. 052722)
PARTNER
19A, Jawaharlal Nehru Road,
Kolkata – 700 087.
Dated : 30th May, 2022. ICAI UDIN: : 22052722AJXPHR7526

Annexure A to the Independent Auditor's report

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

As required by section 143(3) of the Act, we report that

1. a) The company has maintained proper records showing full particulars, including quantitative details and situation of its Property, Plant & Equipment

The Company has maintained proper records showing full particulars of intangible assets.
- b) The Property, Plant & Equipment 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 discrepancies were noticed on verification.
- c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant & equipment, capital work-in-progress, investment property and noncurrent assets held for sale, according to the information and explanations given to us and based on the examination of the registered sale deed / title deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.
- d) According to the information and explanations given to us and the records of the company examined by us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or Intangible assets during the year.
- e) According to the information and explanations given to us no proceeding has been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
2. a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical

verification of inventories when compared with books of account.

- b) According to the information and explanations given to us and the records of the company examined by us, quarterly statement of current assets in respect of its working capital borrowing are generally in agreement with the books of accounts of the company.
- 3. The Company had provided guarantees for ₹10 Crores in earlier years on behalf of subsidiary/Associate companies and was outstanding as at balance sheet date. Terms and conditions thereof, in our opinion, prima facie, not prejudicial to the Company's interest. 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. According to the information and explanations given to us and the records of the Company examined by us, the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with in respect of guarantees and securities given by the Company.
- 5. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under. Further, no orders have been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal which could impact the Company.
- 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 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 with appropriate authorities including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Value Added Tax, Service Tax, Custom Duty, Excise Duty, GST, Cess and other material statutory dues applicable to it and there has been no arrears as at 31st March 2022 for a period of more than six months from the date they became payable.

b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

(₹ In Lakhs)

| Nature of Statute | Period to Which Amount Relates (Assessment Year) | Gross Demand | Amount paid under Protest | Amount (Net of Amount paid under Protest) | Forum where dispute in pending |
|-------------------|--|--------------|---------------------------|---|--------------------------------------|
| 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 | |
| | 2014-15 | 16.03 | 12.25 | 3.78 | |
| | 2015-16 | 16.87 | 6.40 | 10.47 | ACIT, CC-1(4), Kolkata |
| | 2019-20 | 48.98 | - | 48.98 | |
| VAT Act | 2017-18 | 296.24 | - | 296.24 | West Bengal Taxation Tribunal (WBTT) |
| CST Act | 2017-18 | 36.93 | 3.31 | 33.62 | Commissioner (Appeal) |

8. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

9. (a) In our opinion and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in the repayment of loans and borrowings from Banks. The company did not have outstanding loans from Financial Institutions, Governments or Debenture Holders during the year.

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

(c) According to the information and explanations given to us and the records of the Company examined by us, the Company has applied the term loans for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) According to the information and explanations given to us the Company has not raised funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures, hence reporting under this clause is not applicable.

(f) According to the information and explanations given to us the Company has not taken loans during the year on the pledge of securities held in its any subsidiaries, associates or joint ventures, hence reporting under this clause is not applicable.

10. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under this clause is not applicable.

(b) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, as such section

(xiii) of para 3 of the Order is not applicable.

11. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) According to the information and explanations given to us and the records of the Company examined by us, the Company has not received any complaints from any whistle-blower during the year (and up to the date of this report) and hence reporting under this clause is not applicable.

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 give 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 financial statements as required by the applicable accounting standards, details of related party transactions have been disclosed in Note 34 of the standalone financial statements for the year under audit.

14. (a) In our opinion, the Company has an internal audit system. The Internal Audit System is being further strengthened to make it commensurate with the size and the nature of its business, and

(b) We have considered the internal audit reports for the year under audit, issued to the company during the year and till date in determining the nature, timing and extent of our audit procedures.

15. According to the information and explanations give 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. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and hence reporting under this clause is not applicable.

17. According to the information and explanations given to us and the records of the Company examined by us the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.

18. There has been no resignation of the statutory auditors of the Company during the year.

19. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We however,

state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20. (a) According to information and explanation given to us and records of the Company examined by us, no amount was unspent in respect of other than ongoing projects for the current year hence reporting under this clause is not applicable.

(b) According to information and explanation given to us and records of the Company examined by us, there has been a shortfall at the end of the year. A disclosure including nature of CSR activities and related party transactions have been disclosed in Note 42 of the standalone financial statements for the year under audit.

For S. K. SINGHANIA & CO.
CHARTERED ACCOUNTANTS,
(Firm Registration No. 302206E)

(RAJESH KR. SINGHANIA
M. NO. 052722)
PARTNER

19A, Jawaharlal Nehru Road,
Kolkata – 700 087.
Dated : 30th May, 2022

ICAI UDIN: : 22052722AJXPHR7526

Annexure B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of sub-section 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 2022 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 of 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 of 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 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 auditors' judgment, including the assessment of the risks of material misstatement of the standalone 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 with reference to standalone financial statements.

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 purpose 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 condition, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, and adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the 31st March 2022 financial statements

of the company and these material weakness doesn't affect our opinion on the financial statements of the Company.

For S. K. SINGHANIA & CO.
CHARTERED ACCOUNTANTS,
(Firm Registration No. 302206E)

(RAJESH KR. SINGHANIA

19A, Jawaharlal Nehru Road,
Kolkata – 700 087.
Dated : 30th May, 2022

M. NO. 052722)

PARTNER

ICAI UDIN: 22052722AJXPHR752E

Balance Sheet as at 31st March 2022

| | | (₹ in Lakhs) | | |
|------------|-------------------------------------|--------------|------------------------|------------------------|
| Sl. NO. | Particulars | Note | As at 31st March, 2022 | As at 31st March, 2021 |
| I. | ASSETS | | | |
| | Non-Current Assets | | | |
| | Property, Plant and Equipment | 5 | 3,483.57 | 3,223.94 |
| | Capital work-in-progress | 5a | 1,473.88 | 784.29 |
| | Intangible Assets | 6 | 5.17 | 18.49 |
| | Financial Assets | | | |
| | Investments | 7 | 1,298.78 | 1,298.78 |
| | Loans | 8 | 58.47 | 63.23 |
| | Non Current Tax Asset (Net) | | 183.57 | 125.08 |
| | | | 6,503.44 | 5,513.81 |
| | Deferred Tax Asset | | 21.36 | - |
| | Current Assets | | | |
| | Inventories | 9 | 5,047.55 | 5,048.11 |
| | Financial Assets | | | |
| | Investments | 10 | - | 1,878.58 |
| | Trade Receivables | 11 | 7,542.01 | 4,730.37 |
| | Cash and Cash Equivalents | 12 | 289.59 | 339.72 |
| | Other Bank Balances | 13 | 2,474.12 | 2,669.25 |
| | Loans | 8 | 11.54 | 5.28 |
| | Other Current Assets | 14 | 2,268.54 | 2,750.92 |
| | | | 17,633.35 | 17,422.23 |
| | Total Assets | | 24,158.16 | 22,936.04 |
| II. | EQUITY AND LIABILITIES | | | |
| | Equity | | | |
| | Equity Share Capital | 15 | 624.00 | 624.00 |
| | Other Equity | 16 | 15,146.75 | 12,249.09 |
| | | | 15,770.75 | 12,873.09 |
| | Deferred Tax Liability (Net) | 22 | - | 4.75 |
| | Liabilities | | | |
| | Current Liabilities | | | |
| | Financial Liabilities | | | |
| | Borrowings | 17 | 4,541.15 | 5,329.87 |
| | Trade Payables | 18 | 3,097.72 | 3,549.62 |
| | Other Financial Liabilities | 19 | 96.77 | 366.21 |
| | Other Current Liabilities | 20 | 651.77 | 811.40 |
| | Provisions | 21 | - | 1.10 |
| | | | 8,387.41 | 10,062.95 |
| | Total Equity and Liabilities | | 24,158.16 | 22,936.04 |

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 Reg. No.: 302206E

Rajesh Singhania

Partner

Membership No. : 52722

Place: Kolkata

Date: May 30, 2022

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. Purkayastha

Company Secretary

[ACS: 42302]

Statement of Profit and Loss for the year ended 31st March, 2022

| | | (₹ in Lakhs) | | |
|---------|---|--------------|-------------------------------|-------------------------------|
| Sl. NO. | Particulars | Note | For the Year ended 31.03.2022 | For the Year ended 31.03.2021 |
| | INCOME | | | |
| I | Revenue from operations | 23 | 36,703.79 | 32,632.95 |
| II | Other Income | 24 | 309.27 | 307.90 |
| III | TOTAL INCOME | | 37,013.06 | 32,940.85 |
| IV | EXPENSES | | | |
| | Cost of materials consumed | 25 | 17,303.67 | 15,897.35 |
| | Purchase of Traded Goods | 26 | 7,727.16 | 4,323.92 |
| | Changes in inventories of finished goods and work-in-progress | 27 | (858.78) | 1,352.15 |
| | Employee Benefits Expense | 28 | 1,175.70 | 1,014.98 |
| | Finance Costs | 29 | 183.70 | 157.86 |
| | Depreciation and Amortization Expense | | 596.77 | 460.96 |
| | Manufacturing and Other Operational Expenses | 30 | 6,370.15 | 6,012.51 |
| | Other Expenses | 30(a) | 395.06 | 316.55 |
| | TOTAL EXPENSES | | 32,893.43 | 29,536.28 |
| V | Profit before exceptional and extraordinary items and tax | | 4,119.63 | 3,404.57 |
| | Exceptional & Extraordinary Items | | - | - |
| | Profit before tax | | 4,119.63 | 3,404.57 |
| VI | Tax Expense | 35 | | |
| | Current Tax | | 1,058.82 | 876.55 |
| | Deferred Tax (Credit)/Charge | | (25.59) | (24.22) |
| VII | PROFIT FOR THE PERIOD | | 3,086.40 | 2,552.24 |
| VIII | OTHER COMPREHENSIVE INCOME | | | |
| | Items that will not be Reclassified to Profit or Loss | | - | - |
| | Fair value of Investment / Exchange difference on transaction of foreign operations | | (5.02) | (35.79) |
| | Income Tax relating to these items | | 1.26 | 14.62 |
| | Items that will not be reclassified to profit or loss (Re-measurement of post employment benefit obligations) | | 2.96 | 31.80 |
| | Income Tax relating to these items | | (0.74) | (8.00) |
| | | | (1.54) | 2.62 |
| IX | TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | 3,084.86 | 2,554.86 |
| | (Comprising Profit and Other Comprehensive Income for the Period) | | | |
| X | Earning per equity share of ₹10 each (In ₹) | 37 | | |
| | Cash | | 59.03 | 48.29 |
| | Basic and Diluted | | 49.46 | 40.90 |

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 Reg. No.: 302206E

Rajesh Singhania

Partner

Membership No. : 52722

Place: Kolkata

Date: May 30, 2022

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. Purkayastha

Company Secretary

[ACS: 42302]

Standalone Cash Flow Statement for year ended 31st March 2022

(₹ in Lakhs)

| Sl. NO. | Particulars | year ended 31.03.2022 | | year ended 31.03.2021 | |
|----------|--|-----------------------|-------------------|-----------------------|-------------------|
| A | CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| | Net Profit before Taxation and Extraordinary Items | | 4,119.63 | | 3,404.57 |
| | Adjustments For: | | | | |
| | Depreciation and Amortisation Expense | 596.77 | | 460.96 | |
| | Balances Written Back (Net) | (6.88) | | (27.66) | |
| | Interest Income | (208.19) | | (27.60) | |
| | Profit on sale of Property, Plant & Equipment (Net)/Assets Written Off | (88.49) | | (242.07) | |
| | Reameasurement gain of DBO/DBP | (1.54) | | 2.63 | |
| | Finance Costs | 183.7 | 475.37 | 157.86 | 324.12 |
| | Operating Profit before Working Capital Changes | | 4,595.00 | | 3,728.69 |
| | Adjustments For: | | | | |
| | (Increase)/Decrease in Trade and Other Receivables | (2,330.76) | | (2,963.03) | |
| | (Increase)/Decrease in Inventories | 0.56 | | 2,517.81 | |
| | Increase/(Decrease) in Trade and Other Payables and Provisions | (882.61) | (3,212.81) | (237.07) | (682.29) |
| | Cash Generated From Operations | | 1,382.19 | | 3,046.40 |
| | Direct Taxes Paid (Net of Refunds) | | (1,117.30) | | (829.61) |
| | Net Cash from Operating Activities | | 264.89 | | 2,216.79 |
| B | CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| | Purchase of Property, Plant and Equipments (Including Capital Work-in-Progress and Advances) | (1,532.67) | | (1,384.00) | |
| | Purchases/Preceeds from sale of Investments | 1,878.58 | | (462.11) | |
| | Balances written back (net) | 6.88 | | 27.66 | |
| | Profit on sale of Investment/Fixed Assets | 88.49 | | 242.07 | |
| | Interest Income | 208.19 | | 27.60 | |
| | Net Cash from/ (Used in) Investing Activities | | 649.47 | | (1,548.78) |
| C | CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| | Proceeds/(Repayment) of Short Term Borrowings(net) | (788.72) | | 2,094.39 | |
| | Interest and Financial Charges Paid | (183.70) | | (157.86) | |
| | Dividend and Tax paid thereon (Interim, special and Final) | (187.20) | | (124.80) | |
| | Net Cash from/ (Used in) Financing Activities | | (1,159.62) | | 1,811.73 |
| | Net Increase/(Decrease) in cash or cash equivalents (A+B+C) | | (245.26) | | 2,479.74 |
| | Cash or Cash equivalents at the beginning of the year | | 3,008.97 | | 529.23 |
| | Cash or Cash equivalents at the end of the year | | 2,763.71 | | 3,008.97 |

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

1 Reconciliation of Financial Liabilities arising from Financing Activities

| Particulars | Opening Balance | Financing Cash Flow Changes | | Non-Financing Cash Flow Changes | | Closing Balance |
|-----------------------|------------------|-----------------------------|-----------------------|---------------------------------|---------------|------------------|
| | As at 31.03.2021 | Principal | Proceeds/ (Repayment) | Fair Value Changes | Forex Changes | As at 31.03.2022 |
| Short Term Borrowings | 5,329.87 | - | (788.72) | - | - | 4541.15 |
| Long Term Borrowings | - | - | - | - | - | - |

Standalone Cash Flow Statement for year ended 31st March 2022

2 Direct Taxes are treated as arising from operating activities and are not bifurcated between investing and financing activities"

3 The above cash flow statement has been prepared under the indirect method set out in In AS-7 "Statement of Cash Flows"

4 For the purpose of Statement of Cash Flow, Cash and Cash Equivalents comprise the followings:

(₹ in Lakhs)

| Particulars | As at 31.03.2022 | As at 31.03.2021 |
|--------------------|------------------|------------------|
| Balance with Banks | 2,474.12 | 2669.25 |
| Cash in Hand | 289.59 | 339.72 |

As per our report of even date

For S.K.Singhania & Co.

Chartered Accountants

Firm Reg. No.: 302206E

Rajesh Singhania

Partner

Membership No. : 52722

Place: Kolkata

Date: May 30, 2022

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. Purkayastha

Company Secretary

[ACS: 42302]

Statement of Changes in Equity for the year ended 31st March, 2022

A. EQUITY SHARE CAPITAL (Refer Note 15)

| Particulars | (₹ in Lakhs) | |
|---|--------------|--------|
| | Numbers | Amount |
| Equity Shares of ₹10/- each, issued, subscribed and fully paid-up | | |
| As at 31.03.2022 | 62,40,000 | 624.00 |
| As at 31.03.2021 | 62,40,000 | 624.00 |

B. OTHER EQUITY (Refer Note 16)

For the year ended 31st March, 2022 (₹ in Lakhs)

| Particulars | Reserves and Surplus | | | | |
|---|----------------------|----------------------------|------------------|-------------------|------------------|
| | Capital Reserve | Securities Premium Reserve | General Reserve | Retained Earnings | Total |
| Opening Balance as at 01.04.2021 | 401.49 | 511.00 | 11,225.00 | 111.60 | 12,249.09 |
| Profit for the current year | - | - | - | 3,086.40 | 3,086.40 |
| Comprehensive Income for the year | - | - | - | (1.54) | (1.54) |
| Total Comprehensive Income for the year | - | - | - | 3,084.86 | 3,084.86 |
| Transfer to/(from) Retained Earnings | - | - | 2,750.00 | (2,750.00) | - |
| Dividend Paid | - | - | - | (187.20) | (187.20) |
| Closing Balance as at 31.03.2022 | 401.49 | 511.00 | 13,975.00 | 259.26 | 15,146.75 |

For the year ended 31st March, 2021 (₹ in Lakhs)

| Particulars | Reserves and Surplus | | | | |
|---|----------------------|----------------------------|------------------|-------------------|------------------|
| | Capital Reserve | Securities Premium Reserve | General Reserve | Retained Earnings | Total |
| Opening Balance as at 01.04.2020 | 401.49 | 511.00 | 8,725.00 | 181.54 | 9,819.03 |
| Profit for the current year | - | - | - | 2,552.24 | 2,552.24 |
| Comprehensive Income for the year | - | - | - | 2.62 | 2.62 |
| Total Comprehensive Income for the year | - | - | - | 2,554.86 | 2,554.86 |
| Transfer to/(from) Retained Earnings | - | - | 2,500.00 | (2,500.00) | - |
| Dividend Paid | - | - | - | (124.80) | (124.80) |
| Closing Balance as at 31.03.2021 | 401.49 | 511.00 | 11,225.00 | 111.60 | 12,249.09 |

As per our report of even date

For S.K.Singhania & Co.

Chartered Accountants

Firm Reg. No.: 302206E

Rajesh Singhania

Partner

Membership No. : 52722

Place: Kolkata

Date: May 30, 2022

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. Purkayastha

Company Secretary
[ACS: 42302]

Notes to Financial Statements for the year ended March 31, 2022

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 at NSE & BSE. 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. 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 30th May 2022"

2. Statement of Compliance and Recent Pronouncements

2.1 Statement of Compliance

The financial statements of the company have been prepared in accordance with India Accounting Standards (Ind As) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards)(Amendment), Rules, 2016.

2.2 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

- Ind AS 103 – Reference to Conceptual Framework The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103.
- Ind AS 16 – Proceeds before intended use The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.
- Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.
- Ind AS 109 – Annual Improvements to Ind AS (2021) The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.
- Ind AS 116 – Annual Improvements to Ind AS (2021) The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration.

The Company is assessing the impact of these changes and will accordingly incorporate the same in the financial statements for the year ending March 2023

3. Significant Accounting Policies

3.1.i) 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.

Notes to Financial Statements for the year ended March 31, 2022

3.1.ii) 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:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Company classifies all other liability 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 their realization in cash and cash equivalents, the Company has identified twelve months as its operating cycle.

3.2 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 | 15 Years |
| Building | 30 Years |
| Electric Installations | 15 Years |
| Mould & Dies | 15 Years |
| Furniture & Fixtures | 10 Years |
| Vehicles | 8 Years |
| Office Equipment | 5 Years |
| Computers | 3 Years |
| Computer License | 6 Years |
| Patent Right | 6 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.

Notes to Financial Statements for the year ended March 31, 2022

3.3 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.

3.4 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.

3.5 Leases

Company as lessee

The Company assesses whether a contract contains a lease, at inception of a contract, 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 recognises right-of-use asset ("ROU") and corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with the term of twelve months or less (Short Term Leases) and no value leases. For these short term and low value leases, the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised. The right-of-use assets, are initially recognized at cost, which comprises 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 doesn't 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.

3.6 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.

3.7 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 recognized immediately in the Statement of Profit and Loss.

The financial assets and financial liabilities are classified as current, if they are expected to be realized 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

Notes to Financial Statements for the year ended March 31, 2022

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.

Notes to Financial Statements for the year ended March 31, 2022

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

3.8 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

3.9 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.

3.10 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.

Notes to Financial Statements for the year ended March 31, 2022

3.11 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

3.12 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.

3.13 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

3.14 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.

Notes to Financial Statements for the year ended March 31, 2022

3.15 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

3.16 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 incomestatement 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 is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act.

Deferred income tax reflects the impact of current year's timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax asset arising on account of unabsorbed depreciation or carry forward tax losses are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably or virtually certain, as the case may be, that sufficient income will be available against which deferred tax asset can be realized.

3.17 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.

3.18 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.

4 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 thereported 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:

4.1 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

Notes to Financial Statements for the year ended March 31, 2022

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.

4.2 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.

4.3 Claims and Compensation

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

4.4 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.

4.5 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.

4.6 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.

4.7 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.

Notes to Financial Statements for the year ended March 31, 2022

NOTE 5: PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

| Sl. NO. | Particulars | GROSS BLOCK | | | DEPRECIATION/AMORTIZATION | | | | NET BLOCK | |
|---------|--------------------------|--------------------------|---------------------------|---|---------------------------|--------------------------|----------------------------|---|------------------|------------------|
| | | Opening as at 01.04.2021 | Additions During the year | Deductions/ Adjustments During the year | As at 31.03.2022 | Opening as at 01.04.2021 | Provisions During the Year | Deductions/ Adjustments During the year | Up to 31.03.2022 | As at 31.03.2022 |
| (i) | Tangible Assets: | | | | | | | | | |
| 1 | Free Hold Land | 459.52 | - | - | 459.52 | - | - | - | - | 459.52 |
| 2 | Buildings | 1,174.11 | 308.40 | - | 1,482.51 | 426.75 | 95.77 | - | 522.52 | 959.99 |
| 3 | Plant and Equipment | 3,145.77 | 428.23 | 12.09 | 3,561.91 | 1,374.44 | 360.08 | 0.94 | 1,733.58 | 1,828.33 |
| 4 | Electrical Installations | 184.54 | 10.72 | - | 195.26 | 115.05 | 13.60 | - | 128.65 | 66.61 |
| 5 | Mould & Dies | 131.16 | 31.84 | - | 163.00 | 63.01 | 32.03 | - | 95.04 | 67.96 |
| 6 | Furniture & Fixtures | 125.34 | 61.16 | - | 186.50 | 53.62 | 47.31 | - | 100.93 | 85.57 |
| 7 | Vehicles | 52.02 | - | - | 52.02 | 41.79 | 4.79 | - | 46.58 | 5.44 |
| 8 | Office Equipments | 25.55 | 10.32 | - | 35.87 | 18.89 | 7.50 | - | 26.39 | 9.48 |
| 9 | Computer Software | 65.08 | 3.56 | - | 68.64 | 45.59 | 22.38 | - | 67.97 | 0.67 |
| | Total | 5,363.09 | 854.23 | 12.09 | 6,205.23 | 2,139.14 | 583.46 | 0.94 | 2,721.66 | 3,483.57 |

5a. Capital Work in Progress

(₹ in Lakhs)

| Sl. NO. | Particulars | COST | | | AMORTIZATION | | | | NET CARRYING AMOUNT | |
|---------|----------------------|--------------------------|---------------------------|---|------------------|--------------------------|----------------------------|---|---------------------|------------------|
| | | Opening as at 01.04.2021 | Additions During the year | Deductions/ Adjustments During the year | As at 31.03.2022 | Opening as at 01.04.2021 | Provisions During the Year | Deductions/ Adjustments During the year | Up to 31.03.2022 | As at 31.03.2022 |
| 1 | Plant & Equipment | 1.26 | - | 1.26 | - | - | - | - | - | - |
| 2 | Factory Godown | 282.94 | - | 282.94 | - | - | - | - | - | - |
| 3 | Factory Building | 500.09 | 973.79 | - | 1,473.88 | - | - | - | - | 1,473.88 |
| | SUB Total (C) | 784.29 | 973.79 | 284.20 | 1,473.88 | - | - | - | - | 1,473.88 |

5a.1 Ageing of Capital Work-in-Progress

(₹ in Lakhs)

| Particulars | As at 31.03.2022 | As at 31.03.2021 |
|--------------------------------------|------------------|------------------|
| Project in Progress | | |
| Less than 1 Year | 1,473.88 | 784.29 |
| 1 to 2 Years | - | - |
| 2 to 3 Years | - | - |
| More than 3 Years | - | - |
| Project Temporarily Suspended | - | - |
| Total | 1,473.88 | 784.29 |

* There are no cost overrun in Capital -Work-in Progress

NOTE 6: INTANGIBLE ASSETS

(₹ in Lakhs)

| Sl. NO. | Particulars | GROSS BLOCK | | | DEPRECIATION/AMORTIZATION | | | | NET BLOCK | |
|---------|---------------------------|--------------------------|---------------------------|---|---------------------------|--------------------------|----------------------------|---|------------------|------------------|
| | | Opening as at 01.04.2021 | Additions During the year | Deductions/ Adjustments During the year | As at 31.03.2022 | Opening as at 01.04.2021 | Provisions During the Year | Deductions/ Adjustments During the year | Up to 31.03.2022 | As at 31.03.2022 |
| (ii) | Intangible Assets: | | | | | | | | | |
| 1 | Computer License | 84.86 | - | - | 84.86 | 67.64 | 12.50 | - | 80.14 | 4.72 |
| 2 | Patent Right | 10.05 | - | - | 10.05 | 8.77 | 0.83 | - | 9.60 | 0.45 |
| | Total | 94.91 | | | 94.91 | 76.41 | 13.33 | | 89.74 | 5.17 |

Notes to Financial Statements for the year ended March 31, 2022

NOTE 7: NON-CURRENT INVESTMENTS

(₹ in Lakhs)

| Sl. NO. | Particulars | Face Value (In ₹) | As at 31.03.2022 | | As at 31.03.2021 | |
|----------|--|-------------------|------------------|-----------------|------------------|-----------------|
| | | | | | | |
| 1 | UNQUOTED | | | | | |
| | (Subsidiary Companies Fully Paid Equity Shares) | | | | | |
| | Best Safety Private Limited | 10 | 23,20,350 | 533.68 | 23,20,350 | 533.68 |
| | Mallcom VSFT Gloves Pvt. Ltd. | 10 | 48,94,000 | 490.00 | 48,94,000 | 490.00 |
| | Mallcom Safety Pvt. Ltd. | 10 | 15,00,100 | 275.04 | 15,00,100 | 275.04 |
| | Total | | | 1,298.72 | | 1,298.72 |
| 2 | Other Instruments | | | | | |
| | Investment in Government or Trust Securities | | | 0.06 | | 0.06 |
| | [NSC Placed with Vat Authorities] | | | | | |
| | Total | | | - | | 1,298.78 |

NOTE 8: FINANCIAL ASSETS- LOANS

(₹ in Lakhs)

| Sl. NO. | Particulars | Non-Current | | Current | |
|---------|---|------------------|------------------|------------------|------------------|
| | | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2022 | As at 31.03.2021 |
| | | | | | |
| | (Unsecured and Considered Good) | | | | |
| 1 | Loans and Advances to Staff and Workers | - | - | 11.54 | 5.28 |
| 2 | Loans and Advances to Promoters & Directors | - | - | - | - |
| 3 | Security Deposits | 58.47 | 63.23 | - | - |
| | Total | 58.47 | 63.23 | 11.54 | 5.28 |

NOTE 9: INVENTORIES (Valued at Lower of Cost or Net Realizable Value)

(₹ in Lakhs)

| Sl. NO. | Particulars | As at 31.03.2022 | As at 31.03.2021 |
|---------|--|------------------|------------------|
| 1 | Raw Materials [Includes in transit ₹450.38 Lakhs (As at 31.03.2021 ₹349.91 Lakhs)] | 2,633.37 | 3,005.86 |
| 2 | Work-in-Progress | 670.81 | 497.37 |
| 3 | Finished Goods | 1,280.60 | 595.26 |
| 4 | Stores & Spares | 462.77 | 949.61 |
| | Total | 5,047.55 | 5,048.10 |

Notes to Financial Statements for the year ended March 31, 2022

NOTE 10: CURRENT INVESTMENTS

(₹ in Lakhs)

| Sl. NO. | Particulars | Face Value (In ₹) | As at 31.03.2022 | | As at 31.03.2021 | |
|----------|--|-------------------|------------------|--------|------------------|-----------------|
| | | | No. | Amount | No. | Amount |
| 2 | Investment in Mutual Fund [Debt] | | | | | |
| | Edelweiss Arbitrage Fund-Direct-Growth | 10.00 | - | - | 9,66,761 | 152.24 |
| | ICICI Pru Equity Arbitrage Fund-Direct-Growth | 10.00 | - | - | 2,75,432 | 77.26 |
| | Invesco India Arbitrage Fund-Direct-Growth | 10.00 | - | - | 5,84,787 | 152.10 |
| | Kotak Equity Arbitrage Fund-Direct-Growth | 10.00 | - | - | 5,85,951 | 177.43 |
| | L&T Arbitrage Opportunities Fund-Direct-Growth | 10.00 | - | - | 61,63,998 | 960.60 |
| | Mirae Asset Arbitrage Fund-Direct-Growth | 10.00 | - | - | 14,77,232 | 152.18 |
| | Nippon India Arbitrage Fund-Direct-Growth | 10.00 | - | - | 3,45,449 | 75.40 |
| | Nippon India Floating Rate Fund-Direct-Growth | 10.00 | - | - | 3,65,035 | 131.37 |
| | Total | | | | | 1,878.58 |

10.1 AGGREGATE CARRYING AMOUNT AND MARKET VALUE OF QUOTED INVESTMENTS

(₹ in Lakhs)

| Particulars | As at 31.03.2022 | | As at 31.03.2021 | |
|------------------------------------|---------------------------|--------------|---------------------------|-----------------|
| | Aggregate Carrying Amount | Market Value | Aggregate Carrying Amount | Market Value |
| Quoted Investments: | | | | |
| In Bonds and Units of Mutual Funds | - | - | 1,878.58 | 1,878.58 |
| Total | - | - | 1,878.58 | 1,878.58 |

NOTE 11: TRADE RECEIVABLES

(₹ in Lakhs)

| Sl. NO. | Particulars | Current | |
|---------|------------------------------|------------------|------------------|
| | | As at 31.03.2022 | As at 31.03.2021 |
| 1 | Secured, Considered Good | - | - |
| | | - | - |
| 2 | Unsecured | | |
| | Undisputed (Considered Good) | 7,542.01 | 4,730.37 |
| | Disputed | - | - |
| | Total | 7,542.01 | 4,730.37 |

11.1 Ageing of Trade Receivable

(₹ in Lakhs)

| Particulars | As at 31.03.2022 | As at 31.03.2021 |
|--------------------|------------------|------------------|
| Undisputed | | |
| Less than 6 Months | 7,472.66 | 4,719.12 |
| 6 Months to 1 Year | 58.10 | 11.25 |
| 1 to 2 Years | 11.25 | - |
| 2 to 3 Years | - | - |
| More than 3 Years | - | - |
| Disputed | | |
| | - | - |
| Total | 7,542.01 | 4,730.37 |

NOTE 12: CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

| Sl. NO. | Particulars | As at 31.03.2022 | As at 31.03.2021 |
|---------|--------------------|------------------|------------------|
| 1 | Balance with Banks | 273.18 | 326.43 |
| 2 | Cash in Hand | 16.41 | 13.29 |
| | Total | 289.59 | 339.72 |

Notes to Financial Statements for the year ended March 31, 2022

NOTE 13: OTHER BANK BALANCES

| Sl. NO. | Particulars | (₹ in Lakhs) | |
|---------|---|---------------------|---------------------|
| | | As at 31.03.2022 | As at 31.03.2021 |
| 1 | Fixed Deposits (Including margin money) | 2,474.12 | 2,669.25 |
| | Total | 2,474.12 | 2,669.25 |

NOTE 14: OTHER CURRENT ASSETS

| Sl. NO. | Particulars | (₹ in Lakhs) | |
|---------|---|---------------------|---------------------|
| | | As at 31.03.2022 | As at 31.03.2021 |
| | (Unsecured and Considered Good) | | |
| 1 | Advances Recoverable in cash or kind (including to Suppliers) | 883.60 | 868.96 |
| 2 | Prepaid Expenses | 51.42 | 15.45 |
| 3 | Balance with Revenue Authorities (Indirect Taxes) | 1,333.52 | 1,866.51 |
| | Total | 2,268.54 | 2,750.92 |

NOTE 15: SHARE CAPITAL

| Sl. NO. | Particulars | (₹ in Lakhs) | |
|---------|---|---------------------|---------------------|
| | | As at 31.03.2022 | As at 31.03.2021 |
| 1 | AUTHORIZED CAPITAL | | |
| | 1,00,00,000 (1,00,00,000) Equity Shares of ₹10/- each | 1,000.00 | 1,000.00 |
| | | 1,000.00 | 1,000.00 |
| 2 | ISSUED, SUBSCRIBED & PAID UP CAPITAL | | |
| | 62,40,000 (62,40,000) Equity Shares of ₹10/- each fully paid-up | 624.00 | 624.00 |
| | Total | 624.00 | 624.00 |

15.1 DETAILS OF PROMOTERS / SHAREHOLDERS HOLDING MORE THAN 5% SHARES OF THE COMPANY

| Name of Shareholders | Category | Number of Shares Held as at 31.03.2022 | % of Total paid-up Equity Share Capital | Number of Shares Held as at 31.03.2021 | % of Total paid-up Equity Share Capital |
|---------------------------------------|----------------|--|---|--|---|
| Ajay Kumar Mall | Promoter | 10,25,320 | 16.43 | 10,25,320 | 16.43 |
| Sunita Mall | Promoter | 1,34,200 | 2.15 | 1,34,200 | 2.15 |
| Giriraj Mall | Promoter | 47,823 | 0.77 | 48,323 | 0.77 |
| Karani Dan Mall [HUF] | Promoter | 500 | 0.01 | 500 | 0.01 |
| KADAMBINI SECURITIES PRIVATE LIMITED. | Promoter Group | 22,04,606 | 35.33 | 22,04,606 | 35.33 |
| MALLCOM HOLDINGS PRIVATE LIMITED | Promoter Group | 6,13,600 | 9.83 | 6,13,600 | 9.83 |
| JAY KUMAR DAGA | Public | 11,49,631 | 18.42 | 12,64,402 | 20.26 |

15.2 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.

15.3 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.

15.4 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.

15.5 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 31.03.2022 | As at 31.03.2021 |
|--|---------------------|---------------------|
| | Nil | Nil |

15.6 The Equity Shares of the company are listed at NSE & BSE Limited and the annual listing fees has been paid for the year.

Notes to Financial Statements for the year ended March 31, 2022

NOTE 16: 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 17: CURRENT BORROWINGS

| Sl. NO. | Particulars | (₹ in Lakhs) | |
|---------|---------------------------------|---------------------|---------------------|
| | | As at 31.03.2022 | As at 31.03.2021 |
| | Secured | | |
| 1 | Loan Repayable on Demand | | |
| | From Bank | | |
| | Export Packing Credit | 4,541.15 | 5,329.87 |
| | Total | 4,541.15 | 5,329.87 |

17.1 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

17.2 There is no default in repayment of principal and interest thereon

NOTE 18: TRADE PAYABLES

| Sl. NO. | Particulars | (₹ in Lakhs) | |
|---------|---------------------------|---------------------|---------------------|
| | | As at 31.03.2022 | As at 31.03.2021 |
| 1 | For Supplying of Goods | 2,222.17 | 2,235.61 |
| 2 | For Supplying of Services | 875.55 | 1,314.01 |
| | Total | 3,097.72 | 3,549.62 |

18.1 Ageing of Trade Payables

| Particulars | (₹ in Lakhs) | |
|--------------------|---------------------|---------------------|
| | As at 31.03.2022 | As at 31.03.2021 |
| Undisputed | | |
| Less than 6 Months | 3,025.61 | 3,522.72 |
| 6 Months to 1 Year | 45.21 | 26.90 |
| 1 to 2 Years | 26.90 | - |
| 2 to 3 Years | - | - |
| More than 3 Years | - | - |
| Disputed | - | - |
| Total | 3,097.72 | 3,549.62 |

18.1 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.

Notes to Financial Statements for the year ended March 31, 2022

NOTE 19: FINANCIAL LIABILITIES- OTHERS

| Sl. NO. | Particulars | (₹ in Lakhs) | |
|---------|--|------------------|------------------|
| | | As at 31.03.2022 | As at 31.03.2021 |
| 1 | Security Deposits from Customers, Vendors & Others | 96.77 | 366.21 |
| | Total | 96.77 | 366.21 |

NOTE 20: OTHER LIABILITIES

| Sl. NO. | Particulars | (₹ in Lakhs) | |
|---------|-----------------------|------------------|------------------|
| | | As at 31.03.2022 | As at 31.03.2021 |
| 1 | Customer Advances | 607.96 | 782.48 |
| 2 | Statutory Liabilities | 43.81 | 28.92 |
| | Total | 651.77 | 811.40 |

NOTE 21: PROVISIONS

| Sl. NO. | Particulars | (₹ in Lakhs) | |
|---------|---------------------------------|------------------|------------------|
| | | As at 31.03.2022 | As at 31.03.2021 |
| 1 | Provision for Employee Benefits | | |
| | Gratuity | - | 1.10 |
| | Total | - | 1.10 |

NOTE 22: DEFERRED TAX ASSETS (NET)

| Sl. NO. | Particulars | (₹ in Lakhs) | |
|---------|--|------------------|------------------|
| | | As at 31.03.2022 | As at 31.03.2021 |
| 1 | Deferred Tax Assets: | | |
| | Arising on account of: | | |
| | Expenses allowed for tax purpose when paid | (20.80) | (21.32) |
| 2 | Deferred Tax Liabilities: | | |
| | Arising on account of: | | |
| | Depreciation and Amortization | 42.16 | 16.57 |
| | Net Deferred Tax Assets/(Liabilities) | 21.36 | (4.75) |

Components of Deferred Tax Assets / (Liabilities) as at March 31, 2022 are given below

| Particulars | As at 31.03.2021 | Charge/(Credit) Recognised in Profit or loss | Charge/(Credit) Recognised in Other Comprehensive Income | As at 31.03.2022 |
|---|------------------|--|--|------------------|
| Deferred Tax Liabilities: | | | | |
| Fair Valuation of financial assets and Liabilities | (18.11) | - | 1.26 | (16.85) |
| Provision For Post retirement and other Employee Benefits | (3.20) | - | (0.74) | (3.94) |
| Total Deferred Tax | (21.32) | - | 0.52 | (20.80) |
| Deferred Tax Assets: | | | | |
| Fair Valuation (Gain) / Loss on Investments | - | - | - | - |
| Timing Difference with respect to property, Plant and equipment and Other Intangible assets | 16.57 | 25.59 | - | 42.16 |
| | - | - | - | - |
| Total Deferred Tax Assets | 16.57 | - | - | 42.16 |
| Net Deferred Tax Assets/ (Liabilities) | (4.75) | - | 0.52 | 21.36 |

Notes to Financial Statements for the year ended March 31, 2022

NOTE 22: DEFERRED TAX ASSETS (NET) (contd.)

Components of Deferred Tax Assets / (Liabilities) as at March 31, 2021 are given below

| Particulars | As at 31.03.2020 | Charge/(Credit) Recognised in Profit or loss | Charge/(Credit) Recognised in Other Comprehensive Income | As at 31.03.2021 |
|---|------------------|--|--|------------------|
| Deferred Tax Assets: | | | | |
| Fair Valuation of financial assets and Liabilities | (37.96) | 5.23 | 14.62 | (18.11) |
| Provision For Post retirement and other Employee Benefits | 6.03 | (1.23) | (8.00) | (3.20) |
| Remeasurement Of Defined Benefit Obligation | 10.03 | (10.03) | - | - |
| Total Deferred Tax | (21.90) | (6.03) | 6.61 | (21.32) |
| Deferred Tax Liabilities: | | | | |
| Fair Valuation (Gain) / Loss on Investments | - | - | - | - |
| Timing Difference with respect to property, Plant and equipment and Other Intangible assets | (13.68) | 30.25 | - | 16.57 |
| | - | - | - | - |
| Total Deferred Tax Assets | (13.68) | 30.25 | - | 16.57 |
| Net Deferred Tax Assets/ (Liabilities) | (35.58) | 24.22 | 6.61 | (4.75) |

NOTE 23: REVENUE FROM OPERATIONS

| Sl. NO. | Particulars | (₹ in Lakhs) | |
|---------|-----------------------------------|-------------------------------|-------------------------------|
| | | For the Year ended 31.03.2022 | For the Year ended 31.03.2021 |
| 1 | Sale of Manufactured Goods | | |
| | Leather Gloves | 4,340.59 | 4,673.07 |
| | Textile Garments | 10,719.62 | 9,035.71 |
| | Nitrile Dipped Gloves | - | 3,525.45 |
| | Safety shoes | 10,043.59 | 8,394.12 |
| | Shoe Upper | 338.47 | 521.36 |
| | Knitted Gloves | 1,229.05 | 490.70 |
| | Others | 1,242.28 | 785.31 |
| | | 27,913.60 | 27,425.72 |
| 2 | Sale of Traded Goods | | |
| | Leather Gloves | 2,866.97 | 1,971.47 |
| | Textile Garments | 313.07 | 70.85 |
| | Nitrile Dipped Gloves | 3,768.96 | 545.38 |
| | Safety shoes | 976.54 | 1,482.51 |
| | Others | 45.75 | 259.81 |
| | | 7,971.29 | 4,330.02 |
| 3 | Job Work Charges | - | 4.74 |
| 4 | Foreign Exchange Gain | 349.89 | 121.64 |
| 5 | Export Incentives | 469.01 | 750.83 |
| | | 818.90 | 877.21 |
| | Total | 36,703.79 | 32,632.95 |

Notes to Financial Statements for the year ended March 31, 2022

NOTE 24: OTHER INCOME

| | | (₹ in Lakhs) | |
|---------|-------------------------------|-------------------------------|-------------------------------|
| Sl. NO. | Particulars | For the Year ended 31.03.2022 | For the Year ended 31.03.2021 |
| 1 | Interest Income | 208.19 | 27.60 |
| 2 | Profit on sale of Fixed asset | 5.29 | 1.75 |
| 3 | Profit on sale of Investment | 83.20 | 240.32 |
| 4 | Balances Written Back | 6.88 | 27.66 |
| 5 | Other Receipts | 5.71 | 10.57 |
| | Total | 309.27 | 307.90 |

NOTE 25: COST OF MATERIALS CONSUMED

| | | (₹ in Lakhs) | |
|---------|--|-------------------------------|-------------------------------|
| Sl. NO. | Particulars | For the Year ended 31.03.2022 | For the Year ended 31.03.2021 |
| a) | Opening Stock | 3,955.51 | 5,121.14 |
| | PURCHASES OF RAW MATERIALS AND STORES | | |
| 1 | Raw Materials (Including Carriage Inward) | 13,673.55 | 12,440.82 |
| 2 | Stores and Spares | 1,802.97 | 1,501.31 |
| 3 | Packing Materials | 967.79 | 789.56 |
| | Sub-Total | 16,444.31 | 14,731.69 |
| | Closing Stock | 3,096.14 | 3,955.48 |
| | Cost of Materials Consumed | 17,303.67 | 15,897.35 |
| | Total | 17,303.67 | 15,897.35 |

NOTE 26: PURCHASE OF TRADED GOODS

| | | (₹ in Lakhs) | |
|---------|-----------------------|-------------------------------|-------------------------------|
| Sl. NO. | Particulars | For the Year ended 31.03.2022 | For the Year ended 31.03.2021 |
| 1 | Safety Shoes | 870.15 | 1,416.22 |
| 2 | Nitrile Dipped Gloves | 3,828.08 | 879.17 |
| 3 | Leather Gloves | 2,730.45 | 1,830.65 |
| 4 | Textile Garments | 287.76 | 44.87 |
| 5 | Others | 10.72 | 153.01 |
| | Total | 7,727.16 | 4,323.92 |

NOTE 27: CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

| | | (₹ in Lakhs) | |
|---------|----------------------|-------------------------------|-------------------------------|
| Sl. NO. | Particulars | For the Year ended 31.03.2022 | For the Year ended 31.03.2021 |
| 1 | Closing stock | | |
| | Work-in-Progress | 670.81 | 497.37 |
| | Finished Goods | 1,280.60 | 595.26 |
| | | 1,951.41 | 1,092.63 |
| 2 | Opening stock | | |
| | Work-in-Progress | 497.37 | 1,183.86 |
| | Finished Goods | 595.26 | 1,260.92 |
| | | 1,092.63 | 2,444.78 |
| 3 | (Increase)/Decrease | (858.78) | 1,352.15 |

Notes to Financial Statements for the year ended March 31, 2022

NOTE 27: CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS (contd.)

| | | (₹ in Lakhs) | |
|---------|---|-------------------------------|-------------------------------|
| Sl. NO. | Particulars | For the Year ended 31.03.2022 | For the Year ended 31.03.2021 |
| 1 | Finished Goods | | |
| | Leather Gloves | 232.15 | 196.35 |
| | Textile Garments | 205.72 | 17.31 |
| | Nitrile Dipped Gloves | 174.67 | 233.03 |
| | Safety Shoes | 420.34 | 79.69 |
| | Shoe Upper | 100.06 | 14.65 |
| | Knitted Gloves | 30.17 | 20.98 |
| | Helmets | 35.50 | 1.03 |
| | Personal Protective Equipments (Others) | 81.99 | 32.22 |
| | | 1,280.60 | 595.26 |
| 2 | Work-in-progress | | |
| | Leather Gloves | 157.91 | 35.58 |
| | Textile Garments | 94.88 | 253.49 |
| | Knitted Gloves | 39.98 | - |
| | Safety Shoes | 202.98 | 186.49 |
| | Shoe Uppers | 175.06 | 21.80 |
| | | 670.81 | 497.36 |

NOTE 28: EMPLOYEE BENEFIT EXPENSES

| | | (₹ in Lakhs) | |
|---------|---|-------------------------------|-------------------------------|
| Sl. NO. | Particulars | For the Year ended 31.03.2022 | For the Year ended 31.03.2021 |
| 1 | Salaries, Wages and Bonus | 1053.18 | 898.33 |
| 2 | Contribution to Provident and Other Funds (Refer Note 32) | 92.90 | 93.46 |
| 3 | Staff Welfare Expenses | 29.62 | 23.19 |
| | Total | 1,175.70 | 1,014.98 |

NOTE 29: FINANCE COSTS

| | | (₹ in Lakhs) | |
|---------|-------------------|-------------------------------|-------------------------------|
| Sl. NO. | Particulars | For the Year ended 31.03.2022 | For the Year ended 31.03.2021 |
| 1 | Interest Expenses | 143.28 | 110.32 |
| 2 | Bank Charges | 40.42 | 47.54 |
| | Total | 183.70 | 157.86 |

NOTE 30: MANUFACTURING AND OTHER OPERATIONAL EXPENSES

| | | (₹ in Lakhs) | |
|---------|------------------------------------|-------------------------------|-------------------------------|
| Sl. NO. | Particulars | For the Year ended 31.03.2022 | For the Year ended 31.03.2021 |
| 1 | Fabrication & Processing Charges | 3,994.40 | 4,479.87 |
| 2 | Factory Maintenance | 85.88 | 112.35 |
| 3 | Freight- Export | 917.65 | 245.44 |
| 4 | Terminal Handling Charges - Export | 57.40 | 41.06 |
| 5 | Clearing & Forwarding expenses | 197.51 | 154.69 |
| 6 | Insurance | 24.07 | 16.46 |
| 7 | Carriage Outward | 342.37 | 372.36 |
| 8 | Sales Promotion Expenses | 222.18 | 110.17 |
| 9 | Trade Fair Expenses | 21.54 | 0.96 |
| 10 | Sales Commission | 5.34 | 3.79 |

Notes to Financial Statements for the year ended March 31, 2022

NOTE 30: MANUFACTURING AND OTHER OPERATIONAL EXPENSES (contd.)

| Sl. NO. | Particulars | (₹ in Lakhs) | |
|---------|------------------------|-------------------------------|-------------------------------|
| | | For the Year ended 31.03.2022 | For the Year ended 31.03.2021 |
| 11 | Other Selling Expenses | 133.76 | 115.72 |
| 12 | Power and Fuel | 242.42 | 223.87 |
| 13 | Repairs to Building | 5.98 | 30.16 |
| 14 | Repairs to Machinery | 65.92 | 57.69 |
| 15 | Security Charges | 53.73 | 47.92 |
| | TOTAL | 6,370.15 | 6,012.51 |

NOTE 30(a): OTHER EXPENSES

| Sl. NO. | Particulars | (₹ in Lakhs) | |
|---------|---|-------------------------------|-------------------------------|
| | | For the Year ended 31.03.2022 | For the Year ended 31.03.2021 |
| 1 | Rent | 44.13 | 33.66 |
| 2 | Rates and Taxes | 6.70 | 12.38 |
| 3 | Travelling & Conveyance | 21.38 | 8.62 |
| 4 | Directors' Sitting Fees | 2.84 | 4.42 |
| 5 | Postage, Telephone & Telex | 11.43 | 12.94 |
| 6 | Printing & Stationery | 9.95 | 10.39 |
| 7 | Filing Fees | 0.55 | 0.27 |
| 8 | Legal & Professional Fees | 33.72 | 20.59 |
| 9 | Membership & Subscription | 9.72 | 4.20 |
| 10 | Payment to Auditors (refer details below) | 6.77 | 6.77 |
| 11 | Miscellaneous Expenses | 247.87 | 202.31 |
| | Total | 395.06 | 316.55 |

| Particulars | (₹ in Lakhs) | |
|---------------------------|-------------------------------|-------------------------------|
| | For the Year ended 31.03.2022 | For the Year ended 31.03.2021 |
| Payment to Auditor | | |
| As Auditor: | | |
| Audit Fee | 5.50 | 3.75 |
| Tax Audit Fee | 0.50 | 0.50 |
| Certification Charges | 0.77 | 0.80 |
| Other Services | - | 1.73 |
| Total | 6.77 | 6.77 |

NOTE 31: CONTINGENT LIABILITIES (CLAIMS/DEMANDS NOT ACKNOWLEDGED AS DEBT)

a) Contingent Liabilities

| Particulars | (₹ in Lakhs) | |
|---|------------------|------------------|
| | As at 31.03.2022 | As at 31.03.2021 |
| 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) | 248.70 | - |
| Outstanding Bank guarantee issued by SBI and CITI Bank | 358.21 | 21.99 |
| Bond under custome issued in the favour of Assistant Commissioner of Customs covering the purchase of imported / indigenous Capital goods/ Raw Material Without Payment of Custome Duty with respect to 100 % EOU for Manufacture of Safety Works Garments. | 350.00 | 250.00 |
| Bond Cum Legal Undertaking issued in the favour of development Commissioner indigenous Capital goods/ Raw Material Without Payment of Custome Duty with respect to 100 % FSEZ unit. | 310.00 | 310.00 |

Notes to Financial Statements for the year ended March 31, 2022

NOTE 31: CONTINGENT LIABILITIES (CLAIMS/DEMANDS NOT ACKNOWLEDGED AS DEBT) (contd.)

| Particulars | (₹ in Lakhs) | |
|---|------------------|------------------|
| | As at 31.03.2022 | As at 31.03.2021 |
| Sales Tax demand in respect of earlier years, Which has been disputed by the company | 329.86 | 329.86 |
| Income Tax Demand in respect of earlier years, which has been disputed by the company | 158.60 | 107.80 |
| Corporate Guarantee issued in favor of Subsidiary & Associate Companies | 1,000.00 | 1,000.00 |

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

| Currency | (₹ in Lakhs) | |
|----------|------------------|------------------|
| | As at 31.03.2022 | As at 31.03.2021 |
| USD | 33,73,337.26 | 18,91,308.43 |
| EURO | 35,21,131.00 | 33,51,862.03 |

NOTE 32: EMPLOYEE BENEFITS (REFER NOTE 28)

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

| Particulars | (₹ in Lakhs) | |
|----------------|-------------------------------|-------------------------------|
| | For the Year ended 31.03.2022 | For the Year ended 31.03.2021 |
| Providend Fund | 60.90 | 55.15 |
| ESIC | 17.16 | 19.80 |
| Total | 78.06 | 74.95 |

(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 31.03.2022 | For the Year ended 31.03.2021 |
| Changes in Defined Benefit Obligations: | | |
| Present value of defined benefit obligation at the beginning of the year | 127.36 | 129.09 |
| Current Service Cost | 11.21 | 10.87 |
| Interest Cost | 8.91 | 9.03 |
| Remeasurements (gains)/losses | (8.92) | (17.41) |
| Benefits paid | (3.75) | (4.23) |
| Present value of defined benefit obligation at the end of the year | 134.81 | 127.35 |
| Change in Plan Assets: | | |
| Fair value of plan assets at the beginning of the year | 126.25 | 87.15 |
| Expected Return on Plan Assets | 8.84 | 6.10 |
| Remeasurements (gains)/losses | 5.33 | 24.64 |
| Contributions | 13.81 | 12.59 |
| Benefits paid | (3.75) | (4.23) |
| Fair value of plan assets at the end of the year | 150.48 | 126.25 |
| Fair Value of Planned Assets: | | |
| Fair value of plan assets at the beginning of the year | 126.25 | 87.15 |
| Actual Return on plan assets | 14.17 | 30.74 |
| Contributions | 13.81 | 12.59 |
| Benefits paid | (3.75) | (4.23) |
| Fair value of plan assets at the end of the year | 150.48 | 126.25 |

Notes to Financial Statements for the year ended March 31, 2022

NOTE 32: EMPLOYEE BENEFITS (REFER NOTE 28) (contd.)

(₹ in Lakhs)

| Particulars | For the Year ended 31.03.2022 | For the Year ended 31.03.2021 |
|--|-------------------------------|-------------------------------|
| Actuarial (Gain)/Loss on Planned Assets: | | |
| Actual Return on plan assets | 14.16 | 30.74 |
| Expected Return on Plan Assets | 8.84 | 6.10 |
| Actuarial (Gain)/Loss | 5.32 | 24.64 |
| Actuarial (Gain)/Loss recognized: | | |
| Actuarial (gain)/loss- obligation | (8.92) | (17.41) |
| Actuarial (gain)/loss- plan assets | (5.33) | (24.64) |
| Total Actuarial (Gain)/Loss | (14.25) | (42.05) |
| Actuarial (Gain)/Loss recognized | (14.25) | (42.05) |
| Outstanding actuarial (gain)/loss at the end of the year | | |
| Experience adjustment: | | |
| Experience Adjustment (Gain)/Loss for Plan Liabilities | (8.92) | (15.20) |
| Experience Adjustment (Gain)/Loss for Plan Assets | 5.33 | 24.64 |
| Summary of membership data at the date of valuation and statistics based thereon: | | |
| Number of employees | 328 | 372 |
| Total monthly salary | 29.01 | 27.28 |
| Average Past Service(Years) | 8.9 | 9.10 |
| Average Future Service(Years) | 19.7 | 20.10 |
| Average Age(Years) | 40.3 | 39.90 |
| Weighted average duration (based on discounted cash flows) in years | 12 | 13 |
| Average Monthly Salary | 8,844 | 7,332 |
| Expenses Recognized in the statement of Profit and Loss | | |
| Current Service Cost | 11.21 | 10.87 |
| Interest Cost | 8.91 | 9.03 |
| Expected Return on Plan Assets | (8.84) | (6.10) |
| Past Service Cost | - | - |
| Expenses Recognized in the statement of Profit and Loss | 11.28 | 13.80 |
| Expenses Recognized in Other Comprehensive Income (OCI) | | |
| Actuarial (gains)/losses arising from changes in financial assumptions | (15.67) | 1.10 |
| Total recognized in Other Comprehensive Income | (15.67) | 1.10 |
| Total recognized in Total Comprehensive Income | (4.39) | 14.90 |
| Amount recognized in the Balance Sheet consists of | | |
| Present Value of Defined Benefit Obligation | 134.81 | 127.35 |
| Fair Value of Plan Assets | 150.48 | 126.25 |
| Net Liability | (15.67) | 1.10 |
| The Major Categories of Plan Assets as a % of Total Plan | | |
| Qualifying Insurance Policy | 100% | 100% |

The Principal actuarial assumption used:

| Particulars | For the Year ended 31.03.2022 | For the Year ended 31.03.2021 |
|-----------------------------|-------------------------------|-------------------------------|
| Discount Rate | 7.00 % per annum | 7.00 % per annum |
| Salary Growth Rate | 5.00 % per annum | 5.00 % per annum |
| Mortality Rate | IALM 2012-14 | IALM 2012-14 |
| 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

Notes to Financial Statements for the year ended March 31, 2022

NOTE 32: EMPLOYEE BENEFITS (REFER NOTE 28) (contd.)

were considered for comparative period i.e 2017-18 as considered in previous GAAP on transition to Ind AS. The Gratuity Scheme is invested in group Gratuity cash accumulation policy offered by HDFC Standard 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 Allowances 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 | 20,00,000.00 | 20,00,000.00 |

Current Liability:

(₹ in Lakhs)

| Particulars | 2021-22 | 2020-21 |
|------------------------|----------|---------------|
| Current Liability | - | 28.71 |
| Non Current Liability | - | 98.64 |
| Total Liability | - | 127.35 |

* Because of Overfunding

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

Sensitivity Analysis:

| Assumptions | Discount Rate | | |
|---|---------------|-----------------|---------------|
| | 1.0% Increase | 1.0% Decrease | |
| Sensitivity Level | | | |
| Impact on Defined Benefit Obligation (₹ in Lakhs) | 127.07 | 143.53 | |
| Salary Growth Rate | | Withdrawal Rate | |
| 1.0% Increase | 1.0% Decrease | 1.0% Increase | 1.0% Decrease |
| 143.62 | 126.86 | 135.65 | 133.85 |

The company expects to contribute ₹ Nil (Previous Year ₹13.81 lakhs) to gratuity fund.

The weighted average duration of the defined benefit obligation as at 31.03.2022 is 12 years (as at 31.03.2021: 13 years).

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

| Particulars | (₹ in Lakhs) |
|----------------------------|--------------|
| 01 Apr 2022 to 31 Mar 2023 | 30.30 |
| 01 Apr 2023 to 31 Mar 2024 | 4.80 |
| 01 Apr 2024 to 31 Mar 2025 | 10.75 |
| 01 Apr 2025 to 31 Mar 2026 | 5.44 |
| 01 Apr 2026 to 31 Mar 2027 | 4.31 |
| 01 Apr 2027 Onwards | 79.21 |

Notes to Financial Statements for the year ended March 31, 2022

NOTE 33: 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 31.03.2022 | For the Year ended 31.03.2021 |
|----------------------------------|-------------------------------|-------------------------------|
| Segment Revenue from Operations: | | |
| Outside India | 22,612.78 | 22,214.18 |
| Within India | 14,091.01 | 10,418.77 |
| Total | 36,703.79 | 32,632.95 |

(₹ in Lakhs)

| Particulars | For the Year ended 31.03.2022 | For the Year ended 31.03.2021 |
|--------------------|-------------------------------|-------------------------------|
| Trade Receivables: | | |
| Outside India | 6,371.33 | 4,521.62 |
| Within India | 1,170.68 | 208.75 |
| Total | 7,542.01 | 4,730.37 |

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 34: 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. [MVSFT] |
| | iii) Best Safety Pvt Ltd [BSPL] |
| 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) SSR Enterprises Pvt Ltd [SSR] |
| | viii) Mallcom Lexotic Exports Pvt. Limited [MLEPL] |
| | ix) Anmol Components Pvt. Ltd.(ACPL) |
| | x) Trencher Online Services Private Limited [TOSPL] |
| c) Key Managerial Personnel | i) Mr. Ajay Kumar Mall (CMD) |
| | ii) Mr. Giriraj Kumar Mall (ED) |
| | iii) Shyam Sundar Agrawal (CFO) |
| | iv) Shuvanki Purkayastha (CS) |
| d) Relatives of Key Managerial Personnel | i) Mr. Sanjay Kumar Mall |
| | ii) Mrs. Sunita Mall |
| | iii) Mr. Rohit Mall |
| | iv) Ms. Kiran Devi Mall |
| | v) Ms. Preeti Mall |
| | vi) Ms. Surabhi Mall |

Notes to Financial Statements for the year ended March 31, 2022

NOTE 34: RELATED PARTY DISCLOSURE (AS PER IND AS 24- RELATED PARTY DISCLOSURES) (contd.)

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 | |
|------------------------------------|--|----------|--|---------|--|---------|--|---------|
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| Sale of goods & services | 1,418.60 | 1,006.25 | 1,055.46 | 43.84 | - | - | - | - |
| Purchase of goods, Rent & services | 4,568.80 | 1,857.39 | 543.43 | 3.59 | - | - | - | - |
| Job Work Charges paid | - | 844.65 | 176.04 | 738.83 | - | - | - | - |
| Advance Payable | - | - | - | 366.21 | - | - | - | - |
| Advance Given | 8.15 | 10.43 | 44.71 | 10.61 | - | - | - | - |
| Remuneration ** | - | - | - | - | 93.47 | 56.81 | 19.36 | - |
| Dividend Paid | - | - | 97.72 | 75.07 | 32.19 | 20.51 | 8.19 | 6.75 |
| Rent 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 31.03.2022 | For the Year ended 31.03.2021 |
|------------------------------|-------------------------------|-------------------------------|
| Short-term employee benefits | 87.72 | 53.18 |
| Post-employment benefits* | 5.75 | 3.63 |
| 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 35: INCOME TAX EXPENSE

(₹ in Lakhs)

| Particulars | For the Year ended 31.03.2022 | For the Year ended 31.03.2021 |
|---|-------------------------------|-------------------------------|
| Current Tax | 1,058.82 | 876.55 |
| Deferred Tax | (25.59) | (24.22) |
| Relating to origination and reversal of temporary differences | - | - |
| Tax Expense attributable to Current Year's/Period's Profit | 1,033.23 | 852.33 |
| Adjustments in respect of Income Tax of Earlier Years | - | - |
| Income Tax Expense reported in the Statement of Profit and Loss | 1,033.23 | 852.33 |
| Current Tax related to items recognized in Other Comprehensive Income during the year/period | | |
| Net (gain)/Loss on remeasurement of defined benefit plan/Fair value of Investment & Exchange difference on foreign assets/liabilities | (0.52) | (6.62) |
| Income Tax Charged to Other Comprehensive Income | (0.52) | (6.62) |

Notes to Financial Statements for the year ended March 31, 2022

NOTE 36: 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 31.03.2022 | | As at 31.03.2021 | |
|--|------------------|------------|------------------|------------|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Financial Assets (Current and Non-Current) | | | | |
| Financial Assets measured at Amortised Cost | | | | |
| Trade Receivables | 7,542.01 | 7,542.01 | 4,730.37 | 4,730.37 |
| Cash and Cash Equivalents | 289.59 | 289.59 | 339.72 | 339.72 |
| Other Bank Balances | 2,474.12 | 2,474.12 | 2,669.25 | 2,669.25 |
| Financial Assets measured at Fair Value through Profit and Loss Account | | | | |
| Investment in Equity Instruments and Bonds | - | - | 1,878.58 | 1,878.58 |
| Financial Liabilities (Current and Non-Current) | | | | |
| Financial Liabilities measured at Amortised Cost | | | | |
| Borrowings | 4,541.15 | 4,541.15 | 5,329.87 | 5,329.87 |
| Trade Payables | 3,097.72 | 3,097.72 | 3,549.62 | 3,549.62 |
| Other Financial Liabilities | 96.77 | 96.77 | 366.21 | 366.21 |

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 31.03.2022 | | As at 31.03.2021 | | Currency |
|--------------------|----------|------------------|----------------------------|------------------|----------------------------|----------|
| | | No. of deals | Amount in Foreign Currency | No. of deals | Amount in Foreign Currency | |
| Export Receivables | Forward | 25 | 33,73,337.26 | 6 | 18,91,308.43 | USD/INR |
| Export Receivables | Forward | 18 | 35,21,131.00 | 14 | 33,51,862.03 | EURO/INR |

Notes to Financial Statements for the year ended March 31, 2022

NOTE 36: FINANCIAL INSTRUMENTS (contd.)

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 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, 2021 and March 31, 2020

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 its 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.

Notes to Financial Statements for the year ended March 31, 2022

NOTE 37: EARNING PER SHARE (EPS)

Cash, Basic and Diluted EPS:

| Particulars | | 2021-22 | 2020-21 |
|---|------------|-----------|-----------|
| Profit or Loss attributable to ordinary Equity Shareholders | ₹ in Lakhs | 3,086.40 | 2,552.24 |
| Deperciation & Amortization Expenses | ₹ in Lakhs | 596.77 | 460.96 |
| 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-Cash | ₹ | 59.03 | 48.29 |
| Earnings Per Share- Basic and Diluted | ₹ | 49.46 | 40.90 |

NOTE 38: KEY RATIOS

| Sl. No. | Ratios | Particulars | 2021-22 | 2020-21 |
|---------|--|---|---------|---------|
| 1 | Current Ratio | Current Assets Current Liabilities | 2.10 | 1.73 |
| 2 | Debt to equity Ratio | Total Outside Liabilities Shareholders' Equity | 0.29 | 0.41 |
| 3 | Debt Service Coverage Ratio (DSCR) | Earnings available for debt services Interest+Instalments | 21.05 | 20.09 |
| 4 | Return on Equity (ROE) | Net Profit after taxes- Preference dividend (if any) ×100 Net worth / equity shareholders' fund | 19.57 | 19.83 |
| 5 | Inventory Turnover Ratio | Sales Average Inventory | 7.27 | 5.17 |
| 6 | Debtors Turnover Ratio | Credit Sales Average Accounts Receivable | 5.98 | 9.49 |
| 7 | Payables Turnover Ratio | Annual Net Credit Purchases Average Accounts Payables | 7.38 | 5.91 |
| 8 | Net Profit Ratio | Net Profit ×100 Sales | 8.41 | 7.82 |
| 9 | Return on Capital Employed ROCE (Pre-tax) | EBIT ×100 Capital Employed | 27.29 | 27.67 |
| 10 | Return on Capital Employed ROCE (Post-tax) | EBIT(1- t) ×100 Capital Employed | 20.74 | 21.05 |
| 11 | Earnings per Share (EPS) | Net profit available to equity shareholders Number of equity shares outstanding | 49.46 | 40.90 |
| 12 | Return on Investment (ROI) | Return /Profit /Earnings×100 Investments/Total Assets | 12.78 | 11.13 |
| 13 | Net Capital Turnover Ratio | Sales Net Assets | 2.33 | 2.53 |

Notes to Financial Statements for the year ended March 31, 2022

NOTE 39: 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 | 2021-22 | 2020-21 |
|---|---------|---------|
| Lease payment for the year | 5.68 | 4.23 |
| Minimum Lease payment not later than 1 year | 4.36 | 5.08 |
| Later than one year but not later than Five years | 17.44 | 1.87 |
| Later than Five years | 25.19 | 35.31 |

NOTE 40: MICRO, SMALL AND MEDIUM ENTERPRISES

There were no dues outstanding to the suppliers as on 31.03.2022 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:

| | (₹ in Lakhs) |
|--------------------------------------|--|
| Amount Required to be spent | 51.16 |
| Expenditure incurred | 40.77 |
| Shortfall at the end of the year | 10.39 |
| PY shortfall | Nil |
| Reason for shortfall | The total amount required to be spent by the Company towards CSR Projects for the Financial Year 2021-2022 was ₹51.16 lakhs. As against the required sum, the Company had spent an amount of ₹40.77 lakhs in aggregate towards various CSR Projects. The CSR funds amounting to ₹10.39 Lakhs which was allocated towards promotion of Olympic and Paralympic Sports by supporting training of various athletes could not be spent during the financial year due to disruptions in training schedule of athletes as well as postponement of various national and international tournaments due to the COVID19 pandemic. Pursuant to the recommendation of the CSR committee and subsequent approval by the Board of Directors and at their meeting held on May 30, 2022, the unspent amount shall be deposited by the Company to selected funds specified under Schedule VII within the stipulated timeline prescribed under the Companies Act, 2013. |
| Nature of CSR Activity | Training & Promotion of Olympics Sports via Para Badminton Athlete Ms. Manasi Joshi Education of underprivileged children |
| Details of Related Party transaction | KD Mall Charitable Trust Education of underprivileged children – ₹20.77 lakhs |

NOTE 43: Bank returns/ Stock statements filled by the Company with its bankers are in agreement with books of account.

NOTE 44: There has no delay in Registration of charge or Satisfaction with ROC beyond the Statutory Period.

NOTE 45: During the year the Company has not entered in to any transactions with companies stuck off under the Companies Act, 2013

NOTE 46: During the year there has been no transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income tax Act, 1961

NOTE 47: There has been no revaluation of Property, Plant & Equipment or Intangible Assets during the FY 2021-22

NOTE 48: There has been no default in borrowings by the Company and has not been declared wilful defaulter by the bank or any financial institutions.

Notes to Financial Statements for the year ended March 31, 2022

NOTE 49: No Proceedings has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

NOTE 50: During the FY 2021-22 the company has not applied or approved any Scheme of Arrangements by the Competent Authority in terms of Section 230 to 237 of the Companies Act, 2013

NOTE 51: The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial Year 2021-22.

NOTE 52: 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 53: The Board of Directors has recommended dividend of ₹3/- per equity (previous year ₹3/-) of ₹10/- each for the year ended 31st March, 2022

NOTE 54: These Financial Statements have been approved by Board of Directors of the Company on 31st May 2022 for issue to the shareholders for there adoption

As per our report of even date

For S.K.Singhania & Co.

Chartered Accountants

Firm Reg. No.: 302206E

Rajesh Singhania

Partner

Membership No. : 52722

Place: Kolkata

Date: May 30, 2022

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. Purkayastha

Company Secretary

[ACS: 42302]

Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Mallcom (India) Limited

Report on the audit of Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated financial statements of MALLCOM (INDIA) LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding company and its subsidiaries hereinafter referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2022, and the consolidated Statement of Profit and Loss, (including other comprehensive income), the Consolidated Statement of Changes in Equity and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements and on other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, the Consolidated Statement of Profit and Loss (including other comprehensive income) and the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year ended on that date.

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

(i) Completeness, existence and accuracy of Revenue Recognition (Refer to Note 3.14 and 23 to the standalone financial statements)

| Key Audit Matters | How the matter was addressed in our audit |
|---|---|
| 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 reviews its sales contracts as per AS-115 for determining the principles for recognizing revenue in accordance with the new standard. | Principal audit procedures: 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. 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. c) Selected a sample of contracts and reassessed contractual terms to determine adherence to the requirements of the new accounting standard. |

Basis for Opinion:

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 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 on the Consolidated financial statements.

Key Audit Matters

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. In addition, we have determined the matters described below as Key Audit Matters and our description of how our audit addressed the matter is provided in that context.

(ii) Existence and Valuation of Inventories (Refer note 3.9 and 9 of the Standalone Financial Statements)

| Key audit matters | How the matter was addressed in our audit |
|---|--|
| 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. 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. Based on above, existence and valuation of inventories has been identified as a key audit matter. | 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: 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. b) Assessing whether items in the inventory ageing report prepared by the management were classified within the appropriate ageing bracket; 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 2022 during the current year to assess the historical accuracy of management's inventory provisioning process; 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. e) Attending cyclical inventory counts at various godowns & 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. |

Other Information

The Holding Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility 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 during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Ind AS Financial Statements:

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these

consolidated financial statements in terms of requirements of the Act, that give a true and fair view of the consolidated financial position, 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 Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective management and Board of Directors of the companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the group and for preventing and detecting frauds and other irregularities, the 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 consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of presentation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, management of the group, are responsible for assessing their 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 respective Board of Directors are also responsible for overseeing the Company's financial reporting process of the group.

Auditor's Responsibilities for the Audit of the 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

Identify and assess the risks of material misstatement of the 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the Parent company has adequate internal financial controls with reference to the consolidated financial statements in place and the operating effectiveness of such controls.

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

Conclude, on the appropriateness of management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements 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.

Obtain sufficient appropriate audit evidence regarding the financial statements/ financial information of the such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements/ financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the subsidiaries included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them.

We communicate with those charged with governance of the Holding company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

Other Matters

Financial statements/financial information of three (3) subsidiaries namely Mallcom Safety Pvt. Ltd., Mallcom VSFT Gloves Pvt. Ltd., and Best Safety Pvt. Ltd. whose financial statements/financial information reflect total assets of ₹2815.91, ₹2118.64 and ₹683.01 lacs respectively as at 31st March, 2022, total revenues of ₹583.28, ₹3585.72 and ₹860.33 lacs respectively and net profits amounting to ₹(213.52), ₹279.87 and ₹2.89 lacs respectively for the year ended on that date, as considered in the consolidated financial statements.

Report on Other Legal and Regulatory Requirements

1. 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 the separate financial statements and other financial information of the subsidiaries as referred in the other matter paragraph above, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
 - b) In our opinion, proper books of account as required by law, relating to the preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated

Statement of Profit and Loss (including other comprehensive income), the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of consolidated Ind AS financial statements.

- d) In our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors of the Holding company as on 31st March 2022 and taken on record by the Board of Directors of the Holding company and its Subsidiaries, none of the directors of the group's companies is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of internal financial controls over financial reporting of the Holding Company and its Subsidiaries, 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 the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and explanations given to us, the remuneration paid by the holding company to its directors during the current year is in accordance with the provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) The group has disclosed the impact of pending litigations on its financial position in its consolidated financial position;
- (ii) The group has made provision for material foreseeable losses on long-term derivative contracts, as required under the applicable laws or Ind AS in these consolidated financial statements,
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the group, during the year.
- (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or

entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- (v) (a) The final dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) The Holding Company has neither declared nor paid any interim dividend during the year.
- (c) The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

For S. K. SINGHANIA & CO.
 CHARTERED ACCOUNTANTS,
 (Firm Registration No. 302206E)

(RAJESH KR. SINGHANIA
 M. NO. 052722)
 PARTNER
 ICAI UDIN: 22052722AJXPZP9822

19A, Jawaharlal Nehru Road,
 Kolkata – 700 087.
 Dated : 30th May 2022.

Annexure 'A' to the Auditors' Report of even date on the Consolidated Financial statements of MALLCOM (INDIA) LIMITED

(Referred to in Paragraph 1(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 2022 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31st March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note")

Management's Responsibility for Internal Financial Controls

The respective company's managements and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to the consolidated financial statements based on criteria established by the respective company considering the essential components of internal control stated in the guidance note. 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 Group 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 and the audit evidence obtained by the other Auditors in terms of their Reports referred to in the Other Matters paragraph below, 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 Parent 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 2022, 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 KR. SINGHANIA
M. NO. 052722)
PARTNER
ICAI UDIN: 22052722AJXPZP9822

19A, Jawaharlal Nehru Road,
Kolkata – 700 087
Dated : 30th May 2022.

Consolidated Balance Sheet as at 31st March 2022

(₹ in Lakhs)

| Sl. NO. | Particulars | Note | As at 31st March, 2022 | As at 31st March, 2021 |
|------------|-------------------------------------|------|------------------------|------------------------|
| I. | ASSETS | | | |
| | Non-Current Assets | | | |
| | Property, Plant and Equipment | 5 | 6,291.86 | 4,744.77 |
| | Intangible Assets | 6 | 432.45 | 445.78 |
| | Capital work-in-progress | 7 | 1,473.88 | 1,455.96 |
| | Financial Assets | | | |
| | Investments | 8 | 0.06 | 0.06 |
| | Loans | 9 | 94.65 | 101.11 |
| | Non Current Tax Assets (Net) | | 280.24 | 203.63 |
| | | | 8,573.14 | 6,951.31 |
| | Current Assets | | | |
| | Inventories | 10 | 7,151.91 | 5,721.17 |
| | Financial Assets | | | |
| | Investments | 11 | - | 1,878.58 |
| | Trade receivables | 12 | 6,940.73 | 4,822.89 |
| | Cash and cash equivalents | 13 | 384.85 | 401.74 |
| | Other Bank Balances | 14 | 2,474.12 | 2,669.25 |
| | Loans | 9 | 11.64 | 5.52 |
| | Other Current Assets | 15 | 2,374.69 | 2,803.52 |
| | | | 19,337.93 | 18,302.68 |
| | Total Assets | | 27,911.06 | 25,253.99 |
| II. | EQUITY AND LIABILITIES | | | |
| | Equity | | | |
| | Equity Share Capital | 16 | 624.00 | 624.00 |
| | Other Equity | 17 | 16,598.77 | 13,525.12 |
| | | | 17,222.77 | 14,149.12 |
| | Minority Interest | | 422.48 | 529.24 |
| | LIABILITIES | | | |
| | Non Current Liabilities | | | |
| | Financial Liabilities | | | |
| | Long Term Borrowing | 18 | 596.62 | 355.13 |
| | Other Financial Liabilities | | 598.04 | - |
| | Deferred Tax Liabilities (Net) | 19 | 35.37 | 62.07 |
| | | | 1,230.03 | 417.20 |
| | Current Liabilities | | | |
| | Financial Liabilities | | | |
| | Short-Term Borrowings | 20 | 4,741.15 | 5,329.87 |
| | Trade Payables | 21 | 3,544.27 | 3,633.43 |
| | Other Financial Liabilities | 22 | 96.77 | 366.21 |
| | Other Current Liabilities | 23 | 653.58 | 814.22 |
| | Provisions | 24 | - | 14.68 |
| | | | 10,265.80 | 10,575.62 |
| | Total Equity and Liabilities | | 27,911.06 | 25,253.99 |

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 Reg. No.: 302206E

Rajesh Singhania

Partner

Membership No. : 52722

Place: Kolkata

Date: May 30, 2022

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. Purkayastha

Company Secretary

[ACS: 42302]

Consolidated Statement of Profit and Loss for the year ended 31st March, 2022

(₹ in Lakhs)

| Sl. NO. | Particulars | Note | For the year ended 31st March, 2022 | For the year ended 31st March, 2021 |
|---------|---|-------|-------------------------------------|-------------------------------------|
| | INCOME | | | |
| I | Revenue from operations | 25 | 35,722.85 | 31,688.45 |
| II | Other Income | 26 | 313.81 | 322.12 |
| III | TOTAL INCOME | | 36,036.66 | 32,010.57 |
| IV | EXPENSES | | | |
| | Cost of materials consumed | 27A | 19,491.09 | 16,362.30 |
| | Purchase of Traded Goods | 27B | 3,327.98 | 2,508.08 |
| | Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | 28 | (1,284.75) | 1,224.12 |
| | Employee Benefit Expense | 29 | 1,470.18 | 1,247.03 |
| | Finance Costs | 30 | 204.32 | 159.80 |
| | Depreciation and Amortization Expense | 5 & 6 | 828.84 | 578.08 |
| | Manufacturing and other Operational Expense | 31 | 7,305.46 | 5,820.34 |
| | Other Expenses | 31(a) | 444.53 | 365.33 |
| | TOTAL EXPENSES | | 31,787.66 | 28,265.09 |
| V | Profit before exceptional and extraordinary items and tax | | 4,249.00 | 3,745.48 |
| | Prior Period Item | | | |
| | Exceptional & Extraordinary Items | | - | - |
| | Profit before tax | | 4,249.00 | 3,745.48 |
| VI | Tax Expense | 36 | | |
| | Current tax | | 1,116.14 | 934.30 |
| | Deferred tax | | (26.20) | (17.38) |
| | Income Tax for Earlier Years | | 13.62 | 5.35 |
| | | | 1,103.56 | 922.27 |
| | | | 3,145.44 | 2,823.21 |
| | Add; Adjustment for MAT Credit Receivable | | 10.18 | 7.99 |
| VII | PROFIT FOR THE PERIOD | | 3,155.62 | 2,831.20 |
| | Less: Non Controlling Interest | | (106.76) | 4.39 |
| VIII | PROFIT FOR THE PERIOD | | 3,262.38 | 2,826.81 |
| IX | OTHER COMPREHENSIVE INCOME | | | |
| | Items that will not be Reclassified to Profit or Loss | | - | - |
| | Fair value of Investment / Exchange difference on transaction of foreign operations | | (5.02) | (35.79) |
| | Income Tax relating to these items | | 1.26 | 14.62 |
| | Items that will not be reclassified to profit or loss (Re-measurement of post employment benefit obligations) | | 2.96 | 31.80 |
| | Income Tax relating to these items | | (0.74) | (8.00) |
| | | | (1.54) | 2.62 |
| X | TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | 3,260.84 | 2,829.44 |
| | (Comprising Profit and Other Comprehensive Income for the Period) | | | |
| XI | Earning per equity share of ₹10 each (In ₹) | 38 | | |
| | Cash | | 65.14 | 54.29 |
| | Basic & Diluted | | 52.28 | 45.30 |

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 Reg. No.: 302206E

Rajesh Singhania

Partner

Membership No. : 52722

Place: Kolkata

Date: May 30, 2022

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. Purkayastha

Company Secretary

[ACS: 42302]

Consolidated Cash Flow Statement for year ended 31st March 2022

(₹ in Lakhs)

| Sl. NO. | Particulars | year ended 31.03.2022 | | year ended 31.03.2021 | |
|----------|--|-----------------------|-----------------|-----------------------|-------------------|
| A | CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| | Net Profit before Taxation and Extraordinary Items | | 4,249.00 | | 3,745.49 |
| | Adjustments For: | | | | |
| | Depreciation and Amortisation Expense | 828.84 | | 578.08 | |
| | Balances Written Back (Net) | (6.54) | | (27.66) | |
| | Interest Income | (211.01) | | (30.92) | |
| | Profit on sale of Property, Plant & Equipment (Net)& Investment | (88.49) | | (252.91) | |
| | Remeasurement Gain of DBO/DBP | (1.54) | | 2.62 | |
| | Finance Costs | 204.32 | 725.58 | 159.80 | 429.01 |
| | Operating Profit before Working Capital Changes | | 4,974.58 | | 4,174.50 |
| | Adjustments For: | | | | |
| | (Increase)/Decrease in Trade and Other Receivables | (1,688.66) | | (4,808.57) | |
| | (Increase)/Decrease in Inventories | (1,430.74) | | 1,852.31 | |
| | Increase/(Decrease) in Trade and Other Payables and Provisions | (524.22) | (3,643.62) | (185.68) | (3,141.94) |
| | Cash Generated From Operations | | 1,330.96 | | 1,032.56 |
| | Direct Taxes Paid (Net of Refunds) | | (1,206.36) | | (849.76) |
| | Net Cash from Operating Activities | | 124.60 | | 1,882.32 |
| B | CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| | Profit on sale of Property, Plant & Equipment , Investment | 88.49 | | 252.91 | |
| | Share Capital/Premium & Reserve Raised /Acquisition | - | | 953.79 | |
| | Purchase of Property, Plant and Equipments (Including Capital Work-in-Progress and Advances) | (2,380.52) | | (2,667.45) | |
| | Purchases/Proceeds from sale of Investments | 1,878.58 | | 246.61 | |
| | Balances written back (net)/ remeasurment of DBO/DBP | 6.54 | | 27.66 | |
| | Interest Income | 211.01 | | 30.92 | |
| | Net Cash from/ (Used in) Investing Activities | | (195.90) | | (1,155.56) |
| C | CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| | Proceeds/(Repayment) of Long Term Borrowings | 839.53 | | - | |
| | Proceeds/(Repayment) of Short Term Borrowings(net) | (588.72) | | 2,094.39 | |
| | Interest and Financial Charges Paid | (204.32) | | (159.80) | |
| | Dividend and Tax paid thereon (Interim, special and Final) | (187.20) | | (124.80) | |
| | Net Cash from/ (Used in) Financing Activities | | (140.71) | | 1,809.79 |
| | Net Increase/(Decrease) in cash or cash equivalents (A+B+C) | | (212.01) | | 2,536.55 |
| | Cash or Cash equivalents at the beginning of the year | | 3,070.99 | | 534.44 |
| | Cash or Cash equivalents at the end of the year | | 2,858.97 | | 3,070.99 |

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

1 Reconciliation of Financial Liabilities arising from Financing Activities

| Particulars | Opening Balance | Financing Cash Flow Changes | | Non-Financing Cash Flow Changes | | Closing Balance |
|-----------------------|------------------|-----------------------------|-----------------------|---------------------------------|---------------|------------------|
| | As at 31.03.2021 | Principal | Proceeds/ (Repayment) | Fair Value Changes | Forex Changes | As at 31.03.2022 |
| Short Term Borrowings | 5,329.87 | - | (788.72) | - | - | 4,541.15 |
| Long Term Borrowings | 355.13 | 839.53 | - | - | - | 1,194.66 |

Consolidated Cash Flow Statement for year ended 31st March 2022

- 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 In AS-7 "Statement of Cash Flows"
- For the purpose of Statement of Cash Flow, Cash and Cash Equivalents comprise the followings:

(₹ in Lakhs)

| Particulars | As at 31.03.2022 | As at 31.03.2021 |
|--------------------|------------------|------------------|
| Balance with Banks | 2,474.12 | 2,669.25 |
| Cash in Hand | 384.85 | 401.72 |

As per our report of even date

For S.K.Singhania & Co.

Chartered Accountants

Firm Reg. No.: 302206E

Rajesh Singhania

Partner

Membership No. : 52722

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. Purkayastha

Company Secretary

[ACS: 42302]

Place: Kolkata

Date: May 30, 2022

Consolidated Statement of Changes in Equity for the year ended 31st March, 2022

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 01.04.2022 | 62,40,000 | 624.00 |
| As at 31.03.2021 | 62,40,000 | 624.00 |

B. OTHER EQUITY (Refer Note 17)

(₹ in Lakhs)

| Particulars | Reserves and Surplus | | | | Total |
|---|----------------------|----------------------------|------------------|-------------------|------------------|
| | Capital Reserve | Securities Premium Reserve | General Reserve | Retained Earnings | |
| Opening Balance as at 01.04.2021 | 401.49 | 2,056.44 | 11,626.17 | (184.12) | 13,899.98 |
| Less: Non Controlling Interest | - | 250.00 | 125.00 | (0.15) | 374.85 |
| | 401.49 | 1,806.44 | 11,501.17 | (183.97) | 13,525.13 |
| Profit for the Current Year | - | - | - | 3,262.38 | 3,262.38 |
| Comprehensive Income for the year | - | - | - | (1.54) | (1.54) |
| Total Comprehensive Income for the year | - | - | - | 3,260.84 | 3,260.84 |
| | 401.49 | 1,806.44 | 11,501.17 | 3,076.87 | 16,785.97 |
| Transfer to/ (from) Retained Earnings | - | - | 2,750.00 | (2,750.00) | - |
| Dividend | - | - | - | (187.20) | (187.20) |
| Closing Balance as at 31.03.2022 | 401.49 | 1,806.44 | 14,251.17 | 139.67 | 16,598.77 |

(₹ in Lakhs)

| Particulars | Reserves and Surplus | | | | Total |
|---|----------------------|----------------------------|------------------|-------------------|------------------|
| | Capital Reserve | Securities Premium Reserve | General Reserve | Retained Earnings | |
| Opening Balance as at 01.04.2020 | 401.49 | 1,268.12 | 8,975.00 | (248.46) | 10,396.15 |
| Profit for the Current Year | - | - | - | 2,826.81 | 2,826.81 |
| Comprehensive Income for the year | - | - | - | 2.62 | 2.62 |
| Total Comprehensive Income for the year | - | - | - | 2,829.44 | 2,829.44 |
| Share Premium Raised/ Acquisition during the year | - | 788.32 | 151.17 | (140.30) | 799.18 |
| | 401.49 | 2,056.44 | 9,126.17 | 2,440.68 | 14,024.77 |
| Less: Non Controlling Interest | - | 250.00 | 125.00 | (0.15) | 374.85 |
| | 401.49 | 1,806.44 | 9,001.17 | 2,440.83 | 13,649.92 |
| Transfer to/ (from) Retained Earnings | - | - | 2,500.00 | (2,500.00) | - |
| Dividend | - | - | - | (124.80) | (124.80) |
| Closing Balance as at 31.03.2021 | 401.49 | 1,806.44 | 11,501.17 | (183.97) | 13,525.12 |

As per our report of even date

For S.K.Singhania & Co.

Chartered Accountants

Firm Reg. No.: 302206E

Rajesh Singhania

Partner

Membership No. : 52722

Place: Kolkata

Date: May 30, 2022

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. Purkayastha

Company Secretary
[ACS: 42302]

Notes Forming Part of Financial Statements

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 at NSE & BSE. 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 30th May 2022. They comprise of the financial statements of Mallcom (India) Limited and its subsidiaries – Mallcom VSFT Gloves Pvt Ltd, Best Safety Pvt Ltd & Mallcom Safety 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 shareholders, 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 31.03.2022 | As at 31.03.2021 |
| Mallcom VSFT Gloves Pvt. Ltd | Manufacturer & Exporter of Nitrile Dipped & Other Synthetic Gloves | India | 100 | 100 |
| Best Safety Private Limited | Manufacturer Exporter of Industrial Safety Shoes | India | 100 | 100 |
| Mallcom Safety Pvt. Ltd | Dealers in Personal Protective Equipment(PPE) | India | 50.003 | 50.003 |

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, 2022.

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.

Notes Forming Part of Financial Statements

- ii. 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 | 15 Years |
| Building | 30 Years |
| Electric Installations | 15 Years |
| Mould & Dies | 15 Years |
| Furniture & Fixtures | 10 Years |
| Vehicles | 8 Years |
| Office Equipment | 5 Years |
| Computers | 3 Years |
| Computer License | 6 Years |
| Patent Right | 6 Years |

Depreciation methods, useful lives and residual values and are reviewed, and adjusted as appropriate, at each reporting date.

Notes Forming Part of Financial Statements

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.

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

Notes Forming Part of Financial Statements

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 (2) and (3) 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.

Notes Forming Part of Financial Statements

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.

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.

Notes Forming Part of Financial Statements

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 incomestatement 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.

Notes Forming Part of Financial Statements

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

Notes Forming Part of Financial Statements

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.

Notes Forming Part of Financial Statements

NOTE 5: PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

| Sl. NO. | Particulars | GROSS BLOCK | | | | DEPRECIATION/AMORTIZATION | | | | NET BLOCK | |
|---------|--------------------------|--------------------------|---------------------------|---|------------------|---------------------------|----------------------------|---|------------------|------------------|------------------|
| | | Opening as at 01.04.2021 | Additions During the year | Deductions/ Adjustments During the year | As at 31.03.2022 | Opening as at 01.04.2021 | Provisions During the Year | Deductions/ Adjustments During the year | Up to 31.03.2022 | As at 31.03.2022 | As at 31.03.2021 |
| (i) | Tangible Assets: | | | | | | | | | | |
| 1 | Free Hold Land | 805.69 | - | - | 805.69 | - | - | - | - | 805.69 | 805.69 |
| 2 | Buildings | 1,951.33 | 1,197.95 | - | 3,149.28 | 754.68 | 186.15 | - | 940.83 | 2,208.45 | 1,196.65 |
| 3 | Plant and Equipment | 4,634.77 | 959.29 | 12.09 | 5,581.97 | 2,221.81 | 474.96 | 0.94 | 2,695.83 | 2,886.14 | 2,412.96 |
| 4 | Electrical Installations | 264.69 | 10.72 | - | 275.41 | 175.50 | 17.51 | - | 193.01 | 82.40 | 89.19 |
| 5 | Mould & Dies | 344.33 | 33.52 | - | 377.85 | 220.11 | 44.20 | - | 264.31 | 113.54 | 124.22 |
| 6 | Furniture & Fixtures | 169.80 | 121.99 | - | 291.79 | 92.25 | 52.44 | - | 144.69 | 147.10 | 77.55 |
| 7 | Vehicles | 59.42 | - | - | 59.42 | 47.82 | 5.22 | - | 53.04 | 6.38 | 11.60 |
| 8 | Office Equipments | 35.31 | 36.79 | - | 72.10 | 28.01 | 9.67 | - | 37.68 | 34.42 | 7.30 |
| 9 | Computer | 78.58 | 13.51 | - | 92.09 | 58.97 | 25.38 | - | 84.35 | 7.74 | 19.61 |
| | Total | 8,343.92 | 2,373.77 | 12.09 | 10,705.60 | 3,599.15 | 815.53 | 0.94 | 4,413.74 | 6,291.86 | 4,744.77 |

NOTE 6: INTANGIBLE ASSETS

(₹ in Lakhs)

| Sl. NO. | Particulars | GROSS BLOCK | | | | DEPRECIATION/AMORTIZATION | | | | NET BLOCK | |
|---------|---------------------------|------------------|---------------------------|---|------------------|---------------------------|----------------------------|---|------------------|------------------|------------------|
| | | As at 31.03.2021 | Additions During the year | Deductions/ Adjustments During the year | As at 31.03.2022 | Opening as at 01.04.2021 | Provisions During the Year | Deductions/ Adjustments During the year | Up to 31.03.2022 | As at 31.03.2022 | As at 31.03.2021 |
| (ii) | Intangible Assets: | | | | | | | | | | |
| 1 | Computer License | 84.86 | - | - | 84.86 | 67.64 | 12.50 | - | 80.14 | 4.72 | 17.22 |
| 2 | Patent Right | 10.06 | - | - | 10.06 | 8.77 | 0.83 | - | 9.60 | 0.46 | 1.29 |
| 3 | Goodwill | 427.28 | - | - | 427.28 | - | - | - | - | 427.28 | 427.28 |
| | Total | 522.20 | | | 522.20 | 76.41 | 13.33 | | 89.74 | 432.46 | 445.79 |

NOTE 7. CAPITAL WORK IN PROGRESS

(₹ in Lakhs)

| Sl. NO. | Particulars | COST | | | | DEPRECIATION/AMORTIZATION | | | | NET BLOCK | |
|---------|----------------------|------------------|---------------------------|---|------------------|---------------------------|----------------------------|---|------------------|------------------|------------------|
| | | As at 31.03.2021 | Additions During the year | Deductions/ Adjustments During the year | As at 31.03.2022 | Opening as at 01.04.2021 | Provisions During the Year | Deductions/ Adjustments During the year | Up to 31.03.2022 | As at 31.03.2022 | As at 31.03.2021 |
| 1 | Plant & Equipment | 1.26 | - | 1.26 | - | - | - | - | - | - | 1.26 |
| 2 | Factory Godown | 282.94 | - | 282.94 | - | - | - | - | - | - | 282.94 |
| 3 | Factory Building | 1,171.76 | 1,133.79 | 831.67 | 1,473.88 | - | - | - | - | 1,473.88 | 1,171.76 |
| | SUB Total (C) | 1,455.96 | 1,133.79 | 1,115.87 | 1,473.88 | | | | | 1,473.88 | 1,455.96 |

7a.1 Ageing of Capital Work-in-Progress

(₹ in Lakhs)

| Particulars | As at 31.03.2022 | As at 31.03.2021 |
|--------------------------------------|------------------|------------------|
| Project in Progress | | |
| Less than 1 Year | 1,473.88 | 1,455.96 |
| 1 to 2 Years | - | - |
| 2 to 3 Years | - | - |
| More than 3 Years | - | - |
| Project Temporarily Suspended | | |
| Total | 1,473.88 | 1,455.96 |

NOTE 8. NON-CURRENT INVESTMENT

(Fully paid up except otherwise stated)

(₹ in Lakhs)

| Sl. NO. | Particulars | As at 31.03.2022 | | As at 31.03.2021 | |
|---------|--|------------------|-------------|------------------|-------------|
| | | Unit | Value | Unit | Value |
| 1 | Investment in Government or Trust Securities [NSC Placed with Vat Authorities] | - | 0.06 | - | 0.06 |
| | Total | | 0.06 | | 0.06 |

Notes Forming Part of Financial Statements

NOTE 9. FINANCIAL ASSETS - LOANS

(₹ in Lakhs)

| Sl. NO. | Particulars | Non-Current | | Current | |
|---------|--|------------------|------------------|------------------|------------------|
| | | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2022 | As at 31.03.2021 |
| | (Unsecured and Considered Good) | | | | |
| 1 | Security Deposit & Earnest Money Deposit | 94.65 | 101.11 | - | - |
| 2 | Loan & Advances to Staff and Workers | - | - | 11.64 | 5.52 |
| 3 | Security Deposits | - | - | - | - |
| | Total | 94.65 | 101.11 | 11.64 | 5.52 |

NOTE 10. INVENTORIES (Valued at Lower of Cost or Net Realizable Value)

(₹ in Lakhs)

| Sl. NO. | Particulars | As at 31.03.2022 | As at 31.03.2021 |
|---------|--|------------------|------------------|
| 1 | Raw Material (Includes Goods in Transit ₹450.38 Lacs (As at 31.03.2021 ₹349.91 Lacs) | 3,765.32 | 3,421.82 |
| 2 | Work-in-Progress | 955.12 | 607.57 |
| 3 | Finished Goods | 1,669.71 | 732.51 |
| 4 | Stores & Spares | 761.76 | 959.27 |
| | Total | 7,151.91 | 5,721.17 |

NOTE 11 INVESTMENTS

(Fully paid up except otherwise stated)

(₹ in Lakhs)

| Sl. NO. | Particulars | Face Value (In ₹) | As at 31.03.2022 | | As at 31.03.2021 | |
|----------|---|-------------------|------------------|-------|------------------|-----------------|
| | | | Unit | Value | Unit | Value |
| 1 | Investments at Fair Value through Profit or Loss | | | | | |
| | Investment in Mutual Fund [Debt] | | | | | |
| | L&T Triple Ace Bond Fund -Direct -Growth | 10.00 | - | - | - | - |
| | L&T Banking & PSU Bond Fund-Direct-Growth | 10.00 | - | - | - | - |
| | L&T Short Term Fund-Direct -Growth | 10.00 | - | - | - | - |
| | L&T Money Market Fund-Direct-Growth | 10.00 | - | - | - | - |
| | Nippon India Banking & PSU Bond Fund-Direct -Growth | 10.00 | - | - | - | - |
| | Edelweiss Arbitrage Fund-Direct-Growth | 10.00 | - | - | 9,66,761 | 152.24 |
| | ICICI Pru Equity Arbitrage Fund-Direct-Growth | 10.00 | - | - | 2,75,432 | 77.26 |
| | Invesco India Arbitrage Fund-Direct-Growth | 10.00 | - | - | 5,84,787 | 152.10 |
| | Kotak Equity Arbitrage Fund-Direct-Growth | 10.00 | - | - | 5,85,951 | 177.43 |
| | L&T Arbitrage Opportunities Fund-Direct-Growth | 10.00 | - | - | 61,63,998 | 960.60 |
| | Mirae Asset Arbitrage Fund-Direct-Growth | 10.00 | - | - | 14,77,232 | 152.18 |
| | Nippon India Arbitrage Fund-Direct-Growth | 10.00 | - | - | 3,45,449 | 75.40 |
| | Nippon India Floating Rate Fund-Direct-Growth | 10.00 | - | - | 3,65,035 | 131.37 |
| | | | | | | 1,878.58 |
| | Total | | | | | 1,878.58 |

11.1 AGGREGATE CARRYING AMOUNT OF UNQUOTED INVESTMENTS

(₹ in Lakhs)

| Particulars | As at 31.03.2022 | | As at 31.03.2021 | |
|-----------------------------------|---------------------------|--------------|---------------------------|-----------------|
| | Aggregate Carrying Amount | Market Value | Aggregate Carrying Amount | Market Value |
| in Bonds and units of Mutual Fund | - | - | 1,878.58 | 1,878.58 |
| Total | - | - | 1,878.58 | 1,878.58 |

Notes Forming Part of Financial Statements

NOTE 12: TRADE RECEIVABLES

(₹ in Lakhs)

| Sl. NO. | Particulars | Current | |
|---------|------------------------------|------------------|------------------|
| | | As at 31.03.2022 | As at 31.03.2021 |
| 1 | Unsecured: | | |
| | Undisputed (Considered Good) | 6,864.04 | 4,746.20 |
| | Disputed | 76.69 | 76.69 |
| | Total | 6,940.73 | 4,822.89 |

12.1 Ageing of Trade Receivable

(₹ in Lakhs)

| Particulars | As at 31.03.2022 | As at 31.03.2021 |
|--------------------|------------------|------------------|
| Undisputed | | |
| Less than 6 Months | 6,794.69 | 4,734.95 |
| 6 Months to 1 Year | 58.10 | 11.25 |
| 1 to 2 Years | 11.25 | - |
| 2 to 3 Years | - | - |
| More than 3 Years | - | - |
| Disputed | | |
| More than 3 Years | 76.69 | 76.69 |
| Total | 6,940.73 | 4,822.89 |

NOTE 13. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

| Sl. NO. | Particulars | As at 31.03.2022 | As at 31.03.2021 |
|---------|---------------------|------------------|------------------|
| 1 | Cash in Hand | 20.48 | 14.20 |
| 2 | Balances with banks | 364.37 | 387.55 |
| | Total | 384.85 | 401.74 |

NOTE 14. OTHER BANK BALANCES

(₹ in Lakhs)

| Sl. NO. | Particulars | As at 31.03.2022 | As at 31.03.2021 |
|---------|---|------------------|------------------|
| 1 | Fixed Deposits (Including Margin Money) | 2,474.12 | 2,669.25 |
| | Total | 2,474.12 | 2,669.25 |

NOTE 15. OTHER ASSETS

(₹ in Lakhs)

| Sl. NO. | Particulars | As at 31.03.2022 | As at 31.03.2021 |
|---------|--|------------------|------------------|
| | (Unsecured and Considered Good) | | |
| 1 | Advance Recoverable in cash or in kind* | 52.18 | 0.04 |
| 2 | Advance to Suppliers | 857.05 | 851.80 |
| 3 | Balance With Revenue Authorities (Indirect Taxes) | 1,411.88 | 1,935.21 |
| 4 | Prepaid Expenses | 52.54 | 15.48 |
| 5 | Others | 1.04 | 0.99 |
| | Total | 2,374.69 | 2,803.52 |

* Includes amount receivable from Related Parties

Notes Forming Part of Financial Statements

NOTE 16. SHARE CAPITAL

| | | (₹ in Lakhs) | |
|---------|---|------------------|------------------|
| Sl. NO. | Particulars | As at 31.03.2022 | As at 31.03.2021 |
| 1 | AUTHORIZED CAPITAL | | |
| | 1,00,00,000 Equity Shares of ₹10/- each. | 1,000.00 | 1,000.00 |
| | | 1,000.00 | 1,000.00 |
| 2 | ISSUED, SUBSCRIBED & PAID UP CAPITAL | | |
| | 62,40,000 Equity Shares of ₹10/- each fully paid-up | 624.00 | 624.00 |
| | Total | 624.00 | 624.00 |

16.1 Details of Promoters / shareholders holding more than 5% shares in the company

| Name of Shareholders | Category | Number of Shares Held as at 31.03.2022 | % of Total paid-up Equity Share Capital | Number of Shares Held as at 31.03.2021 | % of Total paid-up Equity Share Capital |
|---------------------------------------|----------------|--|---|--|---|
| Ajay Kumar Mall | Promoter | 10,25,320 | 16.43 | 10,25,320 | 16.43 |
| Sunita Mall | Promoter | 1,34,200 | 2.15 | 1,34,200 | 2.15 |
| Giriraj Mall | Promoter | 47,823 | 0.77 | 48,323 | 0.77 |
| Karani Dan Mall [HUF] | Promoter | 500 | 0.01 | 500 | 0.01 |
| KADAMBINI SECURITIES PRIVATE LIMITED. | Promoter Group | 22,04,606 | 35.33 | 22,04,606 | 35.33 |
| MALLCOM HOLDINGS PRIVATE LIMITED | Promoter Group | 6,13,600 | 9.83 | 6,13,600 | 9.83 |
| JAY KUMAR DAGA | Public | 11,49,631 | 18.42 | 12,64,402 | 20.26 |

16.2 The company has only one class of equity shares having a par value of ₹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 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|
| | Nil | Nil |

16.6 The Equity Shares of the company are listed at NSE & 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.

Notes Forming Part of Financial Statements

Note 18. BORROWINGS

| | | (₹ in Lakhs) | |
|---------|--|------------------|------------------|
| Sl. NO. | Particulars | As at 31.03.2022 | As at 31.03.2021 |
| 1 | Secured Borrowings | | |
| | Term Loan | 241.45 | - |
| | [From HDFC Bank secured by All Fixed Assets & current assets of Mallcom Safety Private Limited and Further secured by the Corporate Guarantee of Parent Company "Mallcom (India) Limited" | | |
| 2 | Unsecured Borrowings | | |
| | From Others | 355.17 | 355.13 |
| | Total | 596.62 | 355.13 |

18.1 There is no default in repayment of principal and interest thereon

NOTE 19: DEFERRED TAX ASSETS & LIABILITIES (NET)

| | | (₹ in Lakhs) | |
|---------|--|------------------|------------------|
| Sl. NO. | Particulars | As at 31.03.2022 | As at 31.03.2021 |
| 1 | Deferred Tax Assets: | | |
| | Arising on account of: | | |
| | Expenses allowed for tax purpose when paid | - | - |
| 2 | Deferred Tax Liabilities: | | |
| | Arising on account of: | | |
| | Depreciation and Amortization | (14.58) | (40.76) |
| | Expenses allowed for tax purpose when paid | (20.79) | (21.31) |
| | Net Deferred Tax Assets/(Liabilities) | (35.37) | (62.07) |

Components of Deferred tax Assets/(Liabilities) as at March 31, 2022 are given below:

| Particulars | As at 31.03.2021 | Charge/(credit) recognised in profit or loss | Charge/(credit) recognised in other Comprehensive income | As at 31.03.2022 |
|---|------------------|--|--|------------------|
| Deferred Tax Assets: | | | | |
| Fair Valuation of financial assets and financial liabilities | (18.11) | - | 1.26 | (16.85) |
| Provision for post retirement and other employee benefits | (3.20) | - | (0.74) | (3.94) |
| Total Deferred Tax Assets | (21.31) | - | 0.52 | (20.79) |
| Deferred Tax Liabilities: | | | | |
| Fair Valuation (gain)/loss on Investments | - | - | - | - |
| Timing difference with respect to property, plant & Equipment and other intangible assets | (40.76) | 26.18 | - | (14.58) |
| Total Deferred Tax Assets | (40.76) | 26.18 | | (14.58) |
| NET DEFERRED TAX ASSETS/ (LIABILITIES) | (62.07) | - | - | (35.37) |

Notes Forming Part of Financial Statements

NOTE 20: CURRENT BORROWINGS

| | | (₹ in Lakhs) | |
|---------|---|---------------------|---------------------|
| Sl. NO. | Particulars | As at 31.03.2022 | As at 31.03.2021 |
| 1 | SECURED | | |
| | Loan Repayable on Demand | | |
| | Export Packing Credit (Refer Note 20.1) | 4,741.15 | 5,329.87 |
| | Total | 4,741.15 | 5,329.87 |

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 31.03.2022 | As at 31.03.2021 |
| 1 | For Supplying of Goods | 2,574.71 | 2,439.88 |
| 2 | For Supplying of Services | 969.56 | 1,193.55 |
| | Total | 3,544.27 | 3,633.43 |

NOTE 21.1: AGEING OF TRADE PAYABLES

| | | (₹ in Lakhs) | |
|--------------------|---------------------|---------------------|--|
| Particulars | As at 31.03.2022 | As at 31.03.2021 | |
| Undisputed | | | |
| Less than 6 Months | 3,472.16 | 3,606.53 | |
| 6 Months to 1 Year | 45.21 | 26.90 | |
| 1 to 2 Years | 26.90 | - | |
| 2 to 3 Years | - | - | |
| More than 3 Years | - | - | |
| Total | 3,544.27 | 3,633.43 | |

21.1 There were no dues outstanding to the suppliers as on 31.03.2022 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 31.03.2022 | As at 31.03.2021 |
| 1 | Security Deposit from Customers, Vendors & Others | 96.77 | 366.21 |
| | Total | 96.77 | 366.21 |

NOTE 23: OTHER CURRENT LIABILITIES

| | | (₹ in Lakhs) | |
|---------|----------------------------------|---------------------|---------------------|
| Sl. NO. | Particulars | As at 31.03.2022 | As at 31.03.2021 |
| 1 | Advance From Customers/Suppliers | 602.61 | 782.48 |
| 2 | Statutory Liabilities | 50.98 | 31.74 |
| | Total | 653.59 | 814.22 |

Notes Forming Part of Financial Statements

NOTE 24: SHORT TERM PROVISIONS

| | | (₹ in Lakhs) | |
|---------|--|---------------------|---------------------|
| Sl. NO. | Particulars | As at 31.03.2022 | As at 31.03.2021 |
| 1 | Provision For Employee Benefits | | |
| | Gratuity | - | 1.10 |
| | Other Staff Benefit Schemes (Leave Encashment) | | |
| | Provision for tax | - | 13.58 |
| | Total | - | 14.68 |

NOTE 25: REVENUE FROM OPERATIONS

| | | (₹ in Lakhs) | |
|---------|-----------------------------------|----------------------------------|----------------------------------|
| Sl. NO. | Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
| 1 | Sale of Manufactured Goods | | |
| | Leather Gloves | 4,340.59 | 4,673.07 |
| | Textile Garments | 10,274.47 | 9,051.54 |
| | Nitrile Dipped Gloves | 3,562.50 | 3,174.49 |
| | Safety Shoes | 11,020.13 | 9,878.03 |
| | Knitted Gloves | 1,016.77 | 490.70 |
| | Helmet / Facemask/ eye protection | - | 785.31 |
| | Others | 1,132.01 | - |
| | | 31,346.47 | 28,053.14 |
| 2 | Sale of Traded Goods | | |
| | Nitrile Dipped Gloves | 314.85 | 545.38 |
| | Leather Gloves | 2,866.97 | 1,971.47 |
| | Textile Garments | 313.07 | 70.85 |
| | Others | 45.75 | 125.88 |
| | | 3,540.64 | 2,713.58 |
| 3 | Service Exports | | |
| 4 | Job Work Charges | - | 4.74 |
| 5 | Foreign Exchange Gain | 343.25 | 147.90 |
| 6 | Export Incentives | 492.39 | 769.09 |
| | | 835.64 | 921.73 |
| | Total | 35,722.75 | 31,688.45 |

NOTE 26: OTHER INCOME

| | | (₹ in Lakhs) | |
|---------|---|----------------------------------|----------------------------------|
| Sl. NO. | Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
| 1 | Interest | 211.01 | 30.92 |
| 2 | Profit on sale of Investment & Fixed Assets | 88.49 | 1.75 |
| 3 | Unspent Liabilities & Unclaimed balances Written Back | 6.54 | 251.16 |
| 4 | Short Term Capital Gain | - | 27.66 |
| 5 | Other Receipts | 7.77 | 10.63 |
| | Total | 313.81 | 322.12 |

Notes Forming Part of Financial Statements

NOTE 27A: COST OF MATERIALS CONSUMED

| | | (₹ in Lakhs) | |
|---------|--|-------------------------------|-------------------------------|
| Sl. NO. | Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
| a) | Opening Stock | 4,381.13 | 5,312.85 |
| | PURCHASES OF RAW MATERIALS AND STORES | | |
| 1 | Raw Material [Including Carriage Inward] | 17,338.43 | 13,030.05 |
| 2 | Stores & Consumables | 1,824.42 | 1,557.46 |
| 3 | Packing Materials | 1,093.90 | 843.04 |
| | Sub-total | 20,256.75 | 15,430.55 |
| | Closing Stock | 3,728.18 | 4,381.11 |
| | Cost of Materials Consumed | 20,909.69 | 16,362.30 |
| | Total | 20,909.69 | 16,362.30 |

NOTE 27B PURCHASE OF TRADED GOODS

| | | (₹ in Lakhs) | |
|---------|-----------------------|-------------------------------|-------------------------------|
| Sl. NO. | Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
| 1 | Leather Gloves | 2,730.45 | 1,830.65 |
| 2 | Nitrile Dipped Gloves | 373.97 | 480.27 |
| 3 | Textile Garments | 179.91 | 44.87 |
| 4 | Safety Shoes | 32.93 | - |
| 5 | Others | 10.72 | 152.29 |
| | Total | 3,327.98 | 2,508.08 |

NOTE 28. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS AND TRADED GOODS

| | | (₹ in Lakhs) | |
|----------|------------------------------|-------------------------------|-------------------------------|
| Sl. NO. | Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
| 1 | Closing Stock | | |
| | Work in Progress | 955.12 | 607.57 |
| | Finished Goods | 1,669.70 | 732.51 |
| | | 2,624.83 | 1,340.08 |
| 2 | Opening Stock | | |
| | Work in Progress | 607.57 | 1,183.86 |
| | Add: Stok from BSPL | - | 30.93 |
| | Finished Goods | 732.51 | 1,268.47 |
| | Add: Stok from BSPL | - | 80.93 |
| | | 1,340.08 | 2,564.20 |
| 3 | (Increase) / Decrease | (1,284.75) | 1,224.12 |

| | | (₹ in Lakhs) | |
|----------|---|-------------------------------|-------------------------------|
| Sl. NO. | Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
| 1 | Finished Goods | | |
| | Leather Gloves | 232.15 | 196.35 |
| | Textile Garments | 206.61 | 17.31 |
| | Nitrile Dipped Gloves | 495.89 | 323.52 |
| | Safety Shoes | 487.33 | 118.89 |
| | Shoe Upper | 100.06 | 14.65 |
| | Knitted Gloves | 30.17 | 20.98 |
| | Helmets | 35.50 | 1.03 |
| | Personal Protective Equipments (Others) | 81.99 | 39.78 |
| | | 1,669.70 | 732.51 |

Notes Forming Part of Financial Statements

NOTE 28. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS AND TRADED GOODS (contd.)

| | | (₹ in Lakhs) | |
|----------|-------------------------|-------------------------------|-------------------------------|
| Sl. NO. | Particulars | For the year ended 31.03.2022 | For the year ended 31.03.2021 |
| 2 | Work-in-progress | | |
| | Leather Gloves | 157.91 | 112.00 |
| | Textile Garments | 172.55 | 253.49 |
| | Nitrile Dipped Gloves | 206.64 | - |
| | Knitted Gloves | 39.98 | - |
| | Safety Shoes | 202.98 | 220.28 |
| | Shoe Uppers | 175.06 | 21.80 |
| | | 955.12 | 607.57 |

NOTE 29: EMPLOYEE BENEFIT EXPENSES

| | | (₹ in Lakhs) | |
|---------|---|-------------------------------|-------------------------------|
| Sl. NO. | Particulars | For the Year ended 31.03.2022 | For the Year ended 31.03.2021 |
| 1 | Salaries, Wages and Bonus | 1,323.43 | 1,121.53 |
| 2 | Contribution to Provident and Other Funds | 113.90 | 100.36 |
| 3 | Staff Welfare Expenses | 32.84 | 25.14 |
| | Total | 1,470.18 | 1,247.03 |

NOTE 30: FINANCE COSTS

| | | (₹ in Lakhs) | |
|---------|---|-------------------------------|-------------------------------|
| Sl. NO. | Particulars | For the Year ended 31.03.2022 | For the Year ended 31.03.2021 |
| 1 | Interest Expenses | 161.49 | 110.32 |
| 2 | Bank Charges and ancillary borrowing cost | 42.83 | 49.48 |
| | Total | 204.32 | 159.80 |

NOTE 31: MANUFACTURING AND OTHER OPERATIONAL EXPENSES

| | | (₹ in Lakhs) | |
|---------|------------------------------------|-------------------------------|-------------------------------|
| Sl. NO. | Particulars | For the Year ended 31.03.2022 | For the Year ended 31.03.2021 |
| 1 | Fabrication & Processing Charges | 3,998.67 | 3,638.90 |
| 2 | Factory Maintenance | 98.95 | 112.35 |
| 3 | Labour Charges | 524.28 | 363.03 |
| 4 | Freight Charges | 922.10 | 245.44 |
| 5 | Terminal Handling Charges - Export | 57.47 | 41.06 |
| 6 | Clearing & Forwarding Expenses | 238.21 | 154.85 |
| 7 | Insurance | 28.49 | 19.56 |
| 8 | Carriage Outward | 342.65 | 372.36 |
| 9 | Sales Promotion Expenses | 222.37 | 110.17 |
| 10 | Trade Fair Expenses | 21.54 | 0.96 |
| 11 | Sales Commission | 5.34 | 3.79 |
| 12 | Other selling expenses | 141.54 | 118.09 |
| 13 | Power & Fuel | 499.14 | 441.36 |
| 14 | Repairs to Buildings | 5.98 | 30.16 |
| 15 | Repairs to Plant & Machinery | 129.70 | 107.56 |
| 16 | Security Charges | 69.02 | 60.70 |
| | Total | 7,305.46 | 5,820.34 |

Notes Forming Part of Financial Statements

NOTE 31 (a) : OTHER EXPENSES

| Sl. NO. | Particulars | (₹ in Lakhs) | |
|---------|---|-------------------------------|-------------------------------|
| | | For the Year ended 31.03.2022 | For the Year ended 31.03.2021 |
| 1 | Rent | 57.12 | 45.36 |
| 2 | Postage, Telephone & Telex | 12.00 | 13.21 |
| 3 | Travelling & Conveyance | 23.11 | 8.87 |
| 4 | Printing & Stationery | 12.81 | 11.05 |
| 5 | Filing Fees | 0.60 | 0.30 |
| 6 | Rates & Taxes | 9.01 | 12.73 |
| 7 | Legal & Professional Fees | 40.95 | 20.90 |
| 8 | Membership & Subscription | 10.08 | 4.67 |
| 9 | Directors' Sitting Fees | 2.84 | 4.42 |
| 10 | Payment to auditors (refer details below) | 7.65 | 7.63 |
| 11 | Miscellaneous Expenses | 253.29 | 221.09 |
| 12 | AMC Charges | 1.64 | 2.90 |
| 13 | Consultancy Fees | 10.43 | 9.96 |
| 14 | General Expenses | 2.99 | 2.23 |
| | Total | 444.53 | 365.33 |

| Particulars | (₹ in Lakhs) | |
|---------------------------|-------------------------------|-------------------------------|
| | For the Year ended 31.03.2022 | For the Year ended 31.03.2021 |
| Payment to Auditor | | |
| Audit Fee | 6.38 | 4.30 |
| Tax Audit Fee | 0.50 | 0.50 |
| Certification Charges | 0.77 | 0.87 |
| Other Services | - | 1.96 |
| Total | 7.65 | 7.63 |

NOTE 32: CONTINGENT LIABILITIES (CLAIMS/DEMANDS NOT ACKNOWLEDGED AS DEBT)

a) Contingent Liabilities

| Particulars | (₹ in Lakhs) | |
|---|------------------|------------------|
| | As at 31.03.2022 | As at 31.03.2021 |
| 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) | 248.70 | - |
| Outstanding Bank guarantee issued by SBI and CITI Bank | 358.21 | 21.99 |
| Bond under custome issued in the favour of Assistant Commissioner of Customs covering the purchase of imported / indigenous Capital goods/ Raw Material Without Payment of Custome Duty with respect to 100 % EOU for Manufacture of Safety Works Garments. | 350.00 | 250.00 |
| Bond Cum Legal Undertaking issued in the favour of development Commissioner indigenous Capital goods/ Raw Material Without Payment of Custome Duty with respect to 100 % FSEZ unit. | 1,040.00 | 1,040.00 |
| Sales Tax demand in respect of earlier years, Which has been disputed by the company | 329.86 | 329.86 |
| Income Tax Demand in respect of earlier years, which has been disputed by the company | 158.60 | 107.80 |
| Corporate Guarantee issued in favor of Subsidiary & Associate Companies | 1,000.00 | 1,000.00 |

Notes Forming Part of Financial Statements

NOTE 32: CONTINGENT LIABILITIES (CLAIMS/DEMANDS NOT ACKNOWLEDGED AS DEBT) (contd.)

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

| Currency | (₹ in Lakhs) | |
|----------|------------------|------------------|
| | As at 31.03.2022 | As at 31.03.2021 |
| USD | 33,73,337.26 | 18,91,308.43 |
| EURO | 35,21,131.00 | 33,51,862.03 |

NOTE 33: EMPLOYEE BENEFITS (REFER NOTE 29)

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

| Particulars | (₹ in Lakhs) | |
|----------------|-------------------------------|-------------------------------|
| | For the Year ended 31.03.2022 | For the Year ended 31.03.2021 |
| Providend Fund | 75.83 | 62.04 |
| ESIC | 22.71 | 21.20 |
| Total | 98.54 | 83.24 |

(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 31.03.2022 | For the Year ended 31.03.2021 |
| Changes in Defined Benefit Obligations: | | |
| Present value of defined benefit obligation at the beginning of the year | 127.36 | 129.09 |
| Current Service Cost | 11.21 | 10.87 |
| Interest Cost | 8.91 | 9.03 |
| Remeasurements (gains)/losses | (8.92) | (17.41) |
| Benefits paid | (3.75) | (4.23) |
| Present value of defined benefit obligation at the end of the year | 134.81 | 127.35 |
| Change in Plan Assets: | | |
| Fair value of plan assets at the beginning of the year | 126.25 | 87.15 |
| Expected Return on Plan Assets | 8.84 | 6.10 |
| Remeasurements (gains)/losses | 5.33 | 24.64 |
| Contributions | 13.81 | 12.59 |
| Benefits paid | (3.75) | (4.23) |
| Fair value of plan assets at the end of the year | 150.48 | 126.25 |
| Fair Value of Planned Assets: | | |
| Fair value of plan assets at the beginning of the year | 126.25 | 87.15 |
| Actual Return on plan assets | 14.17 | 30.74 |
| Contributions | 13.81 | 12.59 |
| Benefits paid | (3.75) | (4.23) |
| Fair value of plan assets at the end of the year | 150.48 | 126.25 |
| Actuarial (Gain)/Loss on Planned Assets: | | |
| Actual Return on plan assets | 14.16 | 30.74 |
| Expected Return on Plan Assets | 8.84 | 6.10 |
| Actuarial (Gain)/Loss | 5.32 | 24.64 |

Notes Forming Part of Financial Statements

NOTE 33: EMPLOYEE BENEFITS (REFER NOTE 29) (contd.)

(₹ in Lakhs)

| Particulars | For the Year ended 31.03.2022 | For the Year ended 31.03.2021 |
|--|-------------------------------|-------------------------------|
| Actuarial (Gain)/Loss recognized: | | |
| Actuarial (gain)/loss- obligation | (8.92) | (17.41) |
| Actuarial (gain)/loss- plan assets | (5.33) | (24.64) |
| Total Actuarial (Gain)/Loss | (14.25) | (42.05) |
| Actuarial (Gain)/Loss recognized | (14.25) | (42.05) |
| Outstanding actuarial (gain)/loss at the end of the year | | |
| Experience adjustment: | | |
| Experience Adjustment (Gain)/Loss for Plan Liabilities | (8.92) | 15.19 |
| Experience Adjustment (Gain)/Loss for Plan Assets | 5.33 | (24.64) |
| Summary of membership data at the date of valuation and statistics based thereon: | | |
| Number of employees | 328 | 372 |
| Total monthly salary | 29.01 | 27.28 |
| Average Past Service(Years) | 8.90 | 9.10 |
| Average Future Service(Years) | 19.70 | 20.10 |
| Average Age(Years) | 40.30 | 39.90 |
| Weighted average duration (based on discounted cash flows) in years | 12 | 13 |
| Average Monthly Salary | 8,844 | 7,332 |
| Expenses Recognized in the statement of Profit and Loss | | |
| Current Service Cost | 11.21 | 10.87 |
| Interest Cost | 8.91 | 9.03 |
| Expected Return on Plan Assets | (8.84) | (6.10) |
| Past Service Cost | - | - |
| Expenses Recognized in the statement of Profit and Loss | 11.28 | 13.80 |
| Expenses Recognized in Other Comprehensive Income (OCI) | | |
| Actuarial (gains)/losses arising from changes in financial assumptions | (15.67) | 1.10 |
| Total recognized in Other Comprehensive Income | (15.67) | 1.10 |
| Total recognized in Total Comprehensive Income | (4.39) | 14.90 |
| Amount recognized in the Balance Sheet consists of | | |
| Present Value of Defined Benefit Obligation | 134.81 | 127.35 |
| Fair Value of Plan Assets | 150.48 | 126.25 |
| Net Liability | (15.67) | 1.10 |
| The Major Categories of Plan Assets as a % of Total Plan | | |
| Qualifying Insurance Policy | 100% | 100% |

The Principal actuarial assumption used:

| Particulars | For the Year ended 31.03.2022 | For the Year ended 31.03.2021 |
|-----------------------------|-------------------------------|-------------------------------|
| Discount Rate | 7.00 % per annum | 7.00 % per annum |
| Salary Growth Rate | 5.00 % per annum | 5.00 % per annum |
| Mortality Rate | IALM 2012-14 | IALM 2012-14 |
| 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 2017-18 as considered in previous GAAP on transition to Ind AS. The Gratuity Scheme is invested in group Gratuity cash accumulation policy offered by HDFC Standard 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.

Notes Forming Part of Financial Statements

NOTE 33: EMPLOYEE BENEFITS (REFER NOTE 29) (contd.)

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 Allowances 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 | 20,00,000.00 | 20,00,000.00 |

Current Liability:

(₹ in Lakhs)

| Particulars | 2021-22 | 2020-21 |
|------------------------|----------|---------------|
| Current Liability | - | 28.71 |
| Non Current Liability | - | 98.64 |
| Total Liability | - | 127.35 |

* Because of Overfunding

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

Sensitivity Analysis:

| Assumptions | Discount Rate | |
|---|---------------|---------------|
| | 1.0% Increase | 1.0% Decrease |
| Sensitivity Level | | |
| Impact on Defined Benefit Obligation (₹ in Lakhs) | 127.07 | 79.75 |

| Salary Growth Rate | | Withdrawal Rate | |
|--------------------|---------------|-----------------|---------------|
| 1.0% Increase | 1.0% Decrease | 1.0% Increase | 1.0% Decrease |
| 143.62 | 126.86 | 135.65 | 133.85 |

The company expects to contribute ₹ Nil (Previous Year ₹13.81 lakhs) to gratuity fund.

The weighted average duration of the defined benefit obligation as at 31.03.2022 is 12 years (as at 31.03.2021: 13 years).

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

| Particulars | (₹ in Lakhs) |
|----------------------------|--------------|
| 01 Apr 2022 to 31 Mar 2023 | 30.30 |
| 01 Apr 2023 to 31 Mar 2024 | 4.80 |
| 01 Apr 2024 to 31 Mar 2025 | 10.75 |
| 01 Apr 2025 to 31 Mar 2026 | 5.44 |
| 01 Apr 2026 to 31 Mar 2027 | 4.31 |
| 01 Apr 2027 Onwards | 79.21 |

Notes Forming Part of Financial Statements

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 31.03.2022 | For the Year ended 31.03.2021 |
|----------------------------------|-------------------------------|-------------------------------|
| Segment Revenue from Operations: | | |
| Outside India | 23,025.77 | 21,269.68 |
| Within India | 13,010.89 | 10,418.77 |
| Total | 36,036.66 | 31,688.45 |

(₹ in Lakhs)

| Particulars | For the Year ended 31.03.2022 | For the Year ended 31.03.2021 |
|--------------------|-------------------------------|-------------------------------|
| Trade Receivables: | | |
| Outside India | 6,494.18 | 4,427.42 |
| Within India | 446.55 | 395.47 |
| Total | 6,940.73 | 4,822.89 |

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 | 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) SSR Enterprises Pvt Ltd [SSR] |
| | viii) Mallcom Lexotic Exports Pvt. Limited [MLEPL] |
| | ix) Anmol Components Pvt. Ltd. |
| | x) Trencher Online Services Private Limited [TOSPL] |
| b) Key Managerial Personnel | i) Mr. Ajay Kumar Mall (CMD) |
| | ii) Mr. Giriraj Kumar Mall (ED) |
| | iii) Shyam Sundar Agrawal (CFO) |
| | iv) Shuvanki Purkayastha (CS) |
| c) Relatives of Key Managerial Personnel | i) Mr. Sanjay Kumar Mall |
| | ii) Mrs. Sunita Mall |
| | iii) Mr. Rohit Mall |
| | iv) Ms. Kiran Devi Mall |
| | v) Ms. Preeti Mall |
| | vi) Ms. Surabhi Mall |

Notes Forming Part of Financial Statements

NOTE 35: RELATED PARTY DISCLOSURE (AS PER IND AS 24- RELATED PARTY DISCLOSURES) (contd.)

- 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 | |
|------------------------------------|--|----------|--|---------|--|---------|
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| | Sale of goods & services | 1,055.46 | 43.84 | - | - | - |
| Purchase of goods, Rent & services | 543.43 | 3.59 | - | - | - | - |
| Job Work Charges paid | 176.04 | 738.83 | - | - | - | - |
| Advance Given | 44.71 | 10.61 | - | - | - | - |
| Remuneration ** | - | - | 93.47 | 56.81 | 19.36 | - |
| Dividend Paid | 97.72 | 75.07 | 32.19 | 20.51 | 8.19 | 6.75 |
| Rent 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 31.03.2022 | For the Year ended 31.03.2021 |
|------------------------------|-------------------------------|-------------------------------|
| Short-term employee benefits | 87.72 | 53.18 |
| Post-employment benefits* | 5.75 | 3.63 |
| 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 31.03.2022 | For the Year ended 31.03.2021 |
|---|-------------------------------|-------------------------------|
| Current Tax | 1,116.14 | 934.30 |
| Deferred Tax | (26.20) | (17.38) |
| Relating to origination and reversal of temporary differences | - | - |
| Tax Expense attributable to Current Year's/Period's Profit | 1,089.94 | 916.92 |
| Adjustments in respect of Income Tax of Earlier Years | 13.62 | 5.35 |
| Income Tax Expense reported in the Statement of Profit and Loss | 1,103.56 | 922.27 |
| Current Tax related to items recognized in Other Comprehensive Income during the year/period | | |
| Net (gain)/Loss on remeasurement of defined benefit plan/Fair value of Investment & Exchange difference on foreign assets/liabilities | (0.52) | (6.62) |
| Income Tax Charged to Other Comprehensive Income | (0.52) | (6.62) |

Notes Forming Part of Financial Statements

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 31.03.2022 | | As at 31.03.2021 | |
|--|------------------|------------|------------------|------------|
| | Carrying Amount | Fair Value | Carrying Amount | Fair Value |
| Financial Assets (Current and Non-Current) | | | | |
| Financial Assets measured at Amortised Cost | | | | |
| Trade Receivables | 6,940.73 | 6,940.73 | 4,822.89 | 4,822.89 |
| Cash and Cash Equivalents | 384.85 | 384.85 | 401.74 | 524.73 |
| Other Bank Balances | 2,474.12 | 2,474.12 | 2,669.25 | 2,669.25 |
| Loans | 106.29 | 106.29 | 106.63 | 106.63 |
| Financial Assets measured at Fair Value through Profit and Loss Account | | | | |
| Investment in Equity Instruments and Bonds | - | - | 2,125.19 | 2,125.19 |
| Financial Liabilities (Current and Non-Current) | | | | |
| Financial Liabilities measured at Amortised Cost | | | | |
| Borrowings | 5,935.81 | 5,935.81 | 5,685.00 | 5,685.00 |
| Trade Payables | 3,544.27 | 3,544.27 | 3,633.43 | 3,633.43 |
| Other Financial Liabilities | 96.77 | 96.77 | 366.21 | 366.21 |

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 31.03.2022 | | As at 31.03.2021 | | Currency |
|--------------------|----------|------------------|----------------------------|------------------|----------------------------|----------|
| | | No. of deals | Amount in Foreign Currency | No. of deals | Amount in Foreign Currency | |
| Export Receivables | Forward | 25 | 33,73,337.26 | 6 | 18,91,308.43 | USD/INR |
| Export Receivables | Forward | 18 | 35,21,131.00 | 14 | 33,51,862.03 | EURO/INR |

Notes Forming Part of Financial Statements

NOTE 37: FINANCIAL INSTRUMENTS (contd.)

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 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, 2021 and March 31, 2020

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 its 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.

Notes Forming Part of Financial Statements

NOTE 38: EARNING PER SHARE (EPS)

A. Basic and Diluted EPS:

| Particulars | | 2021-22 | 2020-21 |
|---|------------|-----------|-----------|
| Profit or Loss attributable to ordinary Equity Shareholders | ₹ in Lakhs | 3,155.62 | 2,831.20 |
| Depreciation & Amortization Expenses | ₹ in Lakhs | 828.84 | 578.08 |
| 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-Cash | ₹ | 65.14 | 54.29 |
| Earnings Per Share- Basic and Diluted | ₹ | 52.28 | 45.30 |

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

NOTE 39: KEY RATIOS

| Sl. No. | Ratios | Particulars | 2021-22 | 2020-21 |
|---------|--|---|---------|---------|
| 1 | Current Ratio | Current Assets | 1.88 | 1.73 |
| | | Current Liabilities | | |
| 2 | Debt to equity Ratio | Total Outside Liabilities | 0.31 | 0.40 |
| | | Shareholders' Equity | | |
| 3 | Debt Service Coverage Ratio (DSCR) | Earnings available for debt services | 20.50 | 22.33 |
| | | Interest+Instalments | | |
| 4 | Return on Equity (ROE) | Net Profit after taxes- Preference dividend (if any) ×100 Net worth / equity shareholders' fund | 18.32 | 20.01 |
| 5 | Inventory Turnover Ratio | Sales | 5.55 | 4.77 |
| | | Average Inventory | | |
| 6 | Debtors Turnover Ratio | Credit Sales | 6.07 | 9.00 |
| | | Average Accounts Receivable | | |
| 7 | Payables Turnover Ratio | Annual Net Credit Purchases | 8.08 | 5.94 |
| | | Average Accounts Payables | | |
| 8 | Net Profit Ratio | Net Profit ×100 | 8.83 | 8.93 |
| | | Sales | | |
| 9 | Return on Capital Employed ROCE (Pre-tax) | EBIT ×100 | 25.24 | 26.61 |
| | | Capital Employed | | |
| 10 | Return on Capital Employed ROCE (Post-tax) | EBIT(1-t) ×100 | 19.04 | 20.38 |
| | | Capital Employed | | |
| 11 | Earnings per Share (EPS) | Net profit available to equity shareholders | 52.28 | 45.30 |
| | | Number of equity shares outstanding | | |
| 12 | Return on Investment (ROI) | Return / Profit / Earnings ×100 | 11.31 | 11.21 |
| | | Investments / Total Assets | | |
| 13 | Net Capital Turnover Ratio | Sales | 2.02 | 2.16 |
| | | Net Assets | | |

Notes Forming Part of Financial Statements

NOTE 40: 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 | 2021-22 | 2020-21 |
|---|---------|---------|
| Lease payment for the year | 17.55 | 18.39 |
| Minimum Lease payment not later than 1 year | 16.23 | 16.63 |
| Later than one year but not later than Five years | 64.93 | 5.91 |
| Later than Five years | 25.19 | 37.20 |

NOTE 41: MICRO, SMALL AND MEDIUM ENTERPRISES

There were no dues outstanding to the suppliers as on 31.03.2022 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 42: 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 43:

| | (₹ in Lakhs) |
|--------------------------------------|--|
| Amount Required to be spent | 51.16 |
| Expenditure incurred | 40.77 |
| Shortfall at the end of the year | 10.39 |
| PY shortfall | Nil |
| Reason for shortfall | The total amount required to be spent by the Company towards CSR Projects for the Financial Year 2021-2022 was ₹51.16 lakhs. As against the required sum, the Company had spent an amount of ₹40.77 lakhs in aggregate towards various CSR Projects. The CSR funds amounting to ₹10.39 Lakhs which was allocated towards promotion of Olympic and Paralympic Sports by supporting training of various athletes could not be spent during the financial year due to disruptions in training schedule of athletes as well as postponement of various national and international tournaments due to the COVID19 pandemic. Pursuant to the recommendation of the CSR committee and subsequent approval by the Board of Directors and at their meeting held on May 30, 2022, the unspent amount shall be deposited by the Company to selected funds specified under Schedule VII within the stipulated timeline prescribed under the Companies Act, 2013. |
| Nature of CSR Activity | Training & Promotion of Olympics Sports via Para Badminton Athlete Ms. Manasi Joshi |
| | Education of underprivileged children |
| Details of Related Party transaction | KD Mall Charitable Trust |
| | Education of underprivileged children – ₹20.77 lakhs |

NOTE 44: Bank returns/ Stock statements filed by the Company with its bankers are in agreement with books of account.

NOTE 45: There has no delay in Registration of charge or Satisfaction with ROC beyond the Statutory Period.

NOTE 46: During the year the Company has not entered in to any transactions with companies stuck off under the Companies Act, 2013

NOTE 47: During the year there has been no transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income tax Act, 1961

NOTE 48: There has been no revaluation of Property, Plant & Equipment or Intangible Assets during the FY 2021-22

NOTE 49: There has been no default in borrowings by the Company and has not been declared wilful defaulter by the bank or any financial institutions.

Notes Forming Part of Financial Statements

NOTE 50: No Proceedings has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

NOTE 51: During the FY 2021-22 the company has not applied or approved any Scheme of Arrangements by the Competent Authority in terms of Section 230 to 237 of the Companies Act, 2013

NOTE 52: The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial Year 2021-22.

NOTE 53: 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 54: The Board of Directors has recommended dividend of ₹3/- per equity (previous year ₹3/-) of ₹10/- each for the year ended 31st March, 2022

NOTE 55: These Financial Statements have been approved by Board of Directors of the Company on 31st May 2022 for issue to the shareholders for their adoption

As per our report of even date

For S.K.Singhania & Co.

Chartered Accountants

Firm Reg. No.: 302206E

Rajesh Singhania

Partner

Membership No. : 52722

Place: Kolkata

Date: May 30, 2022

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. Purkayastha

Company Secretary

[ACS: 42302]



MALLCOM (INDIA) LIMITED

CIN: L51109WB1983PLC037008

Reg. off: EN-12, Sector-V, Salt Lake City, Kolkata-700 091

Tel : +91-33-40161000, Fax : +91-33-40161010

Website : www.mallcom.in, E-mail : investors@mallcom.in

NOTICE

Notice is hereby given that the 38th Annual General Meeting ('AGM') of the members of Mallcom (India) Limited ('the Company') will be held on Monday, 19th September, 2022, at 11.00 a.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business. The Venue of the meeting shall be deemed to be the registered office of the Company at Mallcom Tower, EN-12, Sector-V, Salt Lake City, Kolkata – 700091:

ORDINARY BUSINESS:

- To receive, consider and adopt
 - Audited Financial Statements of the Company for the financial year ended 31st March, 2022 together with the Reports of Board of Directors and Auditors thereon.
 - Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2022 together with the Report of Auditors thereon.
- To declare Dividend on equity shares of the Company for the Financial Year ended on 31st March, 2022.
- To appoint a Director in place of Mr. Giriraj Kumar Mall (DIN 01043022), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

- To Provide loan or guarantee or security in connection with loan availed by any of the company's subsidiary(ies) or any other person specified under section 185 of the companies act, 2013.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 185 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Meeting of Board and its Powers) Rules, 2014 (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof

for the time being in force), consent of the Members of the Company, be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include, unless the context otherwise required, any Committee of the Board or any Director(s) or Officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) for giving loan(s) in one or more tranches including loan represented by way of book debt (the "Loan") to, and/or giving of guarantee(s), and/or providing of security(ies) in connection with any Loan taken/ to be taken by any entity which is a Subsidiary or Associate or Joint Venture or group entity of the Company or any other person in which any of the Director of the Company is deemed to be interested (collectively referred to as the "Entities"), up to a sum not exceeding ₹20 crores [Rupees Twenty Crores Only] at any point in time, in its absolute discretion where it deems beneficial to and in the best interest of the Company."

RESOLVED FURTHER THAT the powers be delegated to the Board of the Company and the Board is hereby authorised to negotiate, finalise agree the terms and conditions of the aforesaid loan/guarantee/security and to do all such acts, deeds and things as may be necessary and incidental including signing and/or execution of any deeds/documents/ undertakings/agreements/papers/writings for giving effect to this Resolution."

For Mallcom (India) Ltd.

Registered Office:

EN-12, Sector-V,

Salt Lake City.

Kolkata-700 091

Place: Kolkata

Dated: 30th May, 2022

Sd/-

Shuvanki Purakayastha

Company Secretary

Membership No. A42302

NOTES:

1. In view of the ongoing COVID-19 pandemic and pursuant to General Circulars No. 14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, No. 20/2020 dated May 5, 2020, No. 02/2021 dated January 13, 2021, No. 21/2021 dated December 14, 2021 and No. 2/2022 dated May 5, 2022 issued by the Ministry of Corporate Affairs (collectively referred to as 'MCA Circulars'), the Company is convening the 38th AGM through Video Conferencing ('VC') or Other AudioVisual Means ('OAVM'), without the physical presence of the Members. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company at EN-12, Sector-V, Salt Lake, Kolkata – 700 091, which shall be deemed venue of the AGM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting during the 38th AGM of the Company.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Shareholders who would like to express their views during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/ folio number, email id, mobile number at investors@mallcom.in latest by 4 p.m. (IST) on Thursday, 15th September, 2022. Only those shareholders who have registered themselves as a speaker and confirmed by Company will only be allowed to express their views/ask questions during the meeting. Shareholders who have queries may send their questions in advance mentioning their name, demat account number/ folio number, email id, mobile number at investors@mallcom.in latest by 4 p.m. (IST) on Thursday, 15th September, 2022.
6. When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good internet speed.
7. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.
8. In line with the Ministry of Corporate Affairs (MCA) Circular No.17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.mallcom.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and NSE at www.nseindia.com. AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com. Since the AGM will be held through VC / OAVM Facility, the Route Map is not annexed to this Notice.
9. The Register of Members and the Share Transfer books of the Company will remain closed from Tuesday, 13th September, 2022 to Monday, 19th September, 2022 (both days inclusive).
10. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 concerning the business under Item No. 4 of the Notice, is annexed.
11. Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with the relevant circulars and amendments thereto ('IEPF Rules'), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred ₹24,790/- being the unpaid and unclaimed dividend amount pertaining to the Final Dividend for the Financial Year 2013-2014 on 5th October, 2021. The detail of the same is available on the website of the Company at www.mallcom.in.
12. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
13. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the website of the Company www.mallcom.in. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to Niche Technologies Private Limited in case the shares are held in physical form.
14. The Securities and Exchange Board of India (SEBI) has mandated furnishing of PAN, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by holders of securities. Effective from 1st January 2022, any service requests or complaints received from the member, will not be processed by RTA till the aforesaid details/ documents are provided to RTA. On or after 1st April 2023, in case any of the above cited documents/ details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s).
15. As per Regulation 40 of SEBI Listing Regulations, as amended SEBI has mandated for transfer of securities only in dematerialized mode except in case of transmission or transposition of securities w.e.f. 1st April, 2019. Hence the shareholders are advised to dematerialize shares held by them in physical form.
16. Additional Information, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the Directors seeking re-appointment at the AGM, is furnished as annexure to the Notice. Requisite declarations have been received from the Director seeking re-appointment.
17. Members may also note that this Notice and the Annual Report for 2021-22 can be downloaded from the Company's website www.mallcom.in.
18. **Dividend Related Information:**
Dividend, if approved, will be paid to those shareholders whose names appear in the Register of Shareholders as at close of business hours on Monday, 12th September, 2022. Members may note that as per the Income Tax Act, 1961 CIT Act", as amended by the Finance Act, 2020, dividends paid or distributed by the Company after April 1, 2020, shall be taxable in the hands of the shareholders and the Company shall be required to deduct tax at source (TDS) at the prescribed rates from the dividend to be paid to shareholders, subject to approval of dividend by the shareholders in the ensuing AGM. The TDS rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Company. In order to enable the Company to determine the appropriate TDS rate as applicable, members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act.
 - a) For Resident Shareholders, TDS is required to be deducted at the rate of 10% under Section 194 of the Income Tax Act, 1961 on the amount of dividend declared and paid by the Company in the FY 2021-22 provided valid PAN is registered by the members. If the valid PAN is not registered, the TDS is required to be deducted at the rate of 20% under Section 206AA of the Income Tax Act, 1961. However, no tax shall be deducted on the dividends paid to resident individuals if aggregate dividend distributed or likely to be distributed during the FY 2021-22 does not exceed ₹5000. In the cases where the members provide valid Form 15G (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H (for individual above the age of 60 years with no tax liability on total income), no TDS shall be deducted. In order to avail the benefit of non-deduction of tax at source members are requested to mail the same to the RTA's email address at nichetechpl@nichetechpl.com or to the Company's email address at investors@mallcom.in.
 - NIL /lower tax shall be deducted on the dividend payable to following resident shareholders on submission of self-declaration as listed below:
 - i. Insurance companies: Declaration by shareholder qualifying as Insurer as per section 2(7A) of the Insurance Act, 1938 along with self-attested copy of PAN card;
 - ii. Mutual Funds: Declaration by Mutual Fund shareholder eligible for exemption u/s 10(23D) of the Income- tax Act, 1961 along with self- attested copies of registration documents and PAN card;
 - iii. Alternative Investment Fund (AIF) established in India: Declaration that the shareholder is eligible for exemption under section 10(23FBA) of the Act and they are established as Category or Category II AIF under the SEBI regulations. Copy of self-attested registration documents and PAN card should be provided.
 - iv. New Pension System Trust: Declaration along with self attested copy of documentary evidence supporting the exemption and self-attested copy of PAN card.
 - v. Other shareholders - Declaration along with self-attested copy of documentary evidence supporting the exemption and self attested copy of PAN card.
 - vi. Shareholders who have provided a valid certificate issued u/s. 197 of the Act for lower/ nil rate of deduction or an exemption certificate issued by the income tax authorities along with Declaration.
 - b) For Non-resident shareholders, (including Foreign Portfolio Investors) Tax is required to be withheld in accordance with the provisions of Section 195 and section 196D of the Act at applicable rates in force. As per the relevant provisions of the Act, the tax shall be withheld @ 20% (plus applicable surcharge and cess) on the amount of dividend payable. However, as per Section 90 of the Act, a non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the country of tax residence of the shareholder, if they are more beneficial to the shareholder. For this purpose, i.e. to avail the tax treaty benefits, the non-resident shareholder will have to provide the following:
 - i. Self-attested copy of PAN card, if any, allotted by the Indian income tax authorities;
 - ii. Self-attested copy of Tax Residency Certificate ("TRC") obtained from the tax authorities of the country of which the shareholder is resident;
 - iii. Self-declaration in Form 10F, if all the details required in this form are not mentioned in the TRC;
 - iv. Self-declaration by the non-resident shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement (Non-resident having PE in India would need to comply with

provisions of section 206AB of the IT Act);

- v. In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested copy of SEBI registration certificate;
 - vi. In case of shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidences demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA).
- c) Note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non- Resident shareholder.

Section 206AB of the Act:

Rate of TDS @10% u/s 194 of the Act is subject to provisions of section 206AB of Act (effective from 1 July 2021) which introduces special provisions for TDS in respect of non-filers of income-tax return. As provided in section 206AB, tax is required to be deducted at higher of following rates in case of payments to specified persons:

- at twice the rate specified in the relevant provision of the Act;
- or
- at twice the rate or rates in force; or
 - at the rate of 5%.

Where sections 206AA and 206AB are applicable i.e. the specified person has not submitted the PAN as well as not filed the return; the tax shall be deducted at the higher of the two rates prescribed in these two sections.

The term 'specified person' is defined in sub section (3) of section 206AB who satisfies the following conditions:

- A person who has not filed the income tax return for two previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing of return of income under section 139(1) of the I-T Act has expired; and
- The aggregate of TDS and TCS in this case is = 50,000 or more in each of these two previous years.

The non-resident who does not have the permanent establishment is excluded from the scope of a specified person. Members are requested to inform us well in advance and before cutoff date if you are covered under the definition of 'specified person' as provided in section 206AB of the IT Act. The Company reserves its right to recover any demand raised subsequently on the Company for not informing the Company or providing wrong information about applicability of Section 206AB in your case.

- 19. The Notice of AGM and Annual Report are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).

Members (Physical/ Demat) who have not registered their email addresses with the company can get the same registered with the company by requesting in member updation form by sending an email to nichetechpl@nichetechpl.com and investors@mallcom.in. Please submit duly filled and signed member updation form to the abovementioned email. Upon verification of the Form the email will be registered with the Company.

- 20. All documents referred to in the accompanying Notice and the Explanatory Statement can be obtained for inspection by writing to the Company at its email ID investors@mallcom. in till the date of AGM. The annual accounts of the subsidiary companies along with the related detailed information are available for inspection at the Corporate Office of the Company and of the subsidiaries concerned and copies will be made available to Shareholders upon request.

- 21. Members who are present in meeting through video conferencing facility and have not cast their vote on resolutions through remote e-voting, shall be allowed to vote through e-voting system during the meeting.

Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by ICSI, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 38th AGM by electronic means and the business may be transacted through e-Voting.
- II. The facility of casting the votes by the members using remote electronic voting system as well as electronic voting on the day of AGM will be provided by National Securities Depository Limited (NSDL). The e-voting period commences on Friday, 16th September, 2022 and ends on Sunday, 18th September, 2022. During this period, members holding shares either in physical or in dematerialized form, as on the cut-off date of Monday, 12th September, 2022 may cast their vote by e-voting. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Monday, 12th September, 2022
- III. Members, who are present in meeting through video conferencing facility and have not casted their vote on resolutions through remote e-voting, shall be allowed to vote through e-voting system during the meeting

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

- A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode in terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> </div> |
| Individual Shareholders holding securities in demat mode with CDSL | <ol style="list-style-type: none"> 1. Existing users who have opted for Easi/Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/loginor www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://www.cdslindia.com/myeasi/Registration/EasiRegistration 3. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-into NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
 - Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
 - A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
- Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****. |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

- Password details for shareholders other than Individual shareholders are given below:

 - If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - How to retrieve your "initial password"?
 - If your email ID is registered in your demat account or with the company, your "initial password" is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your "initial password".
 - If your email ID is not registered, your "initial password" is communicated to you on your postal address.
- If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- Now, you will have to click on "Login" button.
- After you click on the "Login" button, Home page of e-Voting will open

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

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

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to smd.deepak@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
- Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. 12th September, 2022, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of

the Notice and holding shares as of the cutoff date i.e. 12th September, 2022 may follow steps mentioned in the Notice of the AGM under Step 1 : "Access to NSDL e-Voting system" (Above).

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user ID and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

- In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card) by email to investors@mallcom.in.
- In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card) to investors@mallcom.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
- Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
- In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

The Instructions for Members for e-voting on the Day of the AGM are as Under:-

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

- Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- Members who need assistance before or during the AGM, can contact NSDL at evoting@nsdl.co.in or call 1800 1020 990 / 1800 22 44 30.

- The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

Instructions for Members for attending AGM through VC/OAVM are as under:

- Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- Members are encouraged to join the Meeting through Laptops for better experience.
- Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

Other Instruction

- The voting rights of members shall be in proportion to their share of the paid up equity share capital of the Company as on 12th September, 2022. A person who is not a member as on cut-off date should treat this notice for information purpose only.
- Any person, who acquires shares of the Company and becomes a member after dispatch of the notice and holding shares as of the cutoff date i.e. 12th September, 2022 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.
- M/s. Rakhi Dasgupta & Associates, practicing company secretaries (M. No. 28739, C.P. No. 20354), has been appointed as the Scrutinizer to scrutinize the voting at the Annual General Meeting and remote e-voting process in a fair and transparent manner.
- The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through e-voting in the presence of at least two witnesses not in the employment of the Company and shall submit, not later than 48 (forty eight) hours from conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.mallcom.in and on the website of NSDL (www.evoting.nsdl.com) after the declaration of result. The results shall also be immediately forwarded to the stock exchange viz. BSE, where the shares are listed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

The Company may have to render support for the business requirements of its Subsidiary Companies or Associate or Joint Venture or group entity or any other person in whom any of the Director of the Company is deemed to be interested (collectively referred to as the "Entities"), from time to time. However, owing to certain restrictive provisions contained in Section 185 of the Companies Act, 2013 ('the Act'), the Company is unable to extend financial assistance by way of loan to such Entities. The Board of Directors seek consent of the Members by way of a Special Resolution pursuant to Section 185 of the Act (as amended by the Companies (Amendment) Act, 2017) for making loan(s) or providing financial assistance or providing guarantee or securities in connection with the loans taken or to be taken by the Entities for the capital expenditure of the projects and/or working capital requirements including purchase of fixed assets as may be required from time to time for the expansion of its business activities and other matters connected and incidental thereon for their principal business activities.

The Members may note that Board of Directors would carefully evaluate proposals and provide such loan, guarantee or security through deployment of funds out of internal resources/accruals and/or any other appropriate sources, from time to time, only for principal business activities of such Entities.

The Board of Directors recommend the resolution given in this Notice for your approval as a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company or any of their relatives, are concerned or interested in the above proposed resolution, except to their equity holdings and Directorships in the Company, if any.

Annexure to Item Nos. 3 of the Notice

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting [Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

| | |
|---|---|
| Name of the Director | Mr. Giriraj Kumar Mall |
| Date of Birth | 26.11.1967 |
| Nationality | Indian |
| Date of Appointment | 19.06.2021 |
| Qualification | M.B.A and M.S. |
| Brief Profile and Expertise in Specific Area | He has been actively working in the field of Occupational Health and Safety for more than 18 years. He is also in the Executive Committee of CII (ER)-Safety Task Force, and Safety Appliance Manufacturers' Association (SAMA) and member of American Society for Quality Control (ASQC). His techno-commercial expertise has played a pivotal role in the Company to foray into various manufacturing activities. |
| Shareholding in Company (includes both legal and beneficial ownership of the share) | 47,823 |
| Number of Board Meetings attended during the year 2021-22 | 4 |
| Directorships held in other public companies | NIL |
| Memberships/Chairmanships of committees of other public companies | NIL |
| Relationship with other Director | Relative of Mr. Ajay Kumar Mall, Chairman, Managing Director & CEO. |
| Remuneration details | NIL |

For Mallcom (India) Ltd.

Registered Office:

EN-12, Sector-V,
Salt Lake City,
Kolkata-700 091

Sd/-
Shuvanki Purakayastha
Company Secretary
Membership No. A42302

Place: Kolkata
Dated: 30th May, 2022



Mallcom India Limited
EN-12, Sector-V, Salt Lake, Kolkata 700 091, India
T: +91 33 4016 1000 | F: +91 33 4016 1010
E: safety@mallcom.in | W: www.mallcom.in

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