



**A good half of  
the art of living  
is resilience.**



From the invincible bones of the soldiers that fell  
I will scape a heaven on sculptures of hell!  
And the streets shall echo with clamor of laughter  
The cacophonies of the toads will to nights stir  
We will turn the tables in our favor...  
We will wear the stars on sleeves of our shirts!  
We for sure step in untested waters  
And the tempests like serpents will pull us beneath  
Clinging to little island dots that we find  
We will pull the skies and mount up on its seats.  
And many years hence when we look back  
Oh! how we postured on tides crest and went safely ashore  
We will wonder if we are made of something more?  
More than the earth, air, fire, sky and ether...  
We are made up of little atoms of hope...



As a part of its #StayProtectedWithPositivity campaign during lockdown in India, Mallcom invited people to showcase their artistic talents and we were overwhelmed with responses. To showcase resilience and hope, all the paintings and poems that you see in the covers of the report are crowdsourced from that campaign!

Courtesy:  
Kashitra Pal & Madhuri Chadha  
Anamika Chakraborty & Niharika Thakur

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## CORPORATE INFORMATION

### **Board of Directors**

Mr. Ajay Kumar Mall	:	Chairman, Managing Director & CEO
Mr. Giriraj Mall	:	Executive Director
Mr. Arindam Bose	:	Non-Executive Non-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

**Company Secretary** : Shuvanki Purakayastha

**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  
Website: www.nichetechpl.com

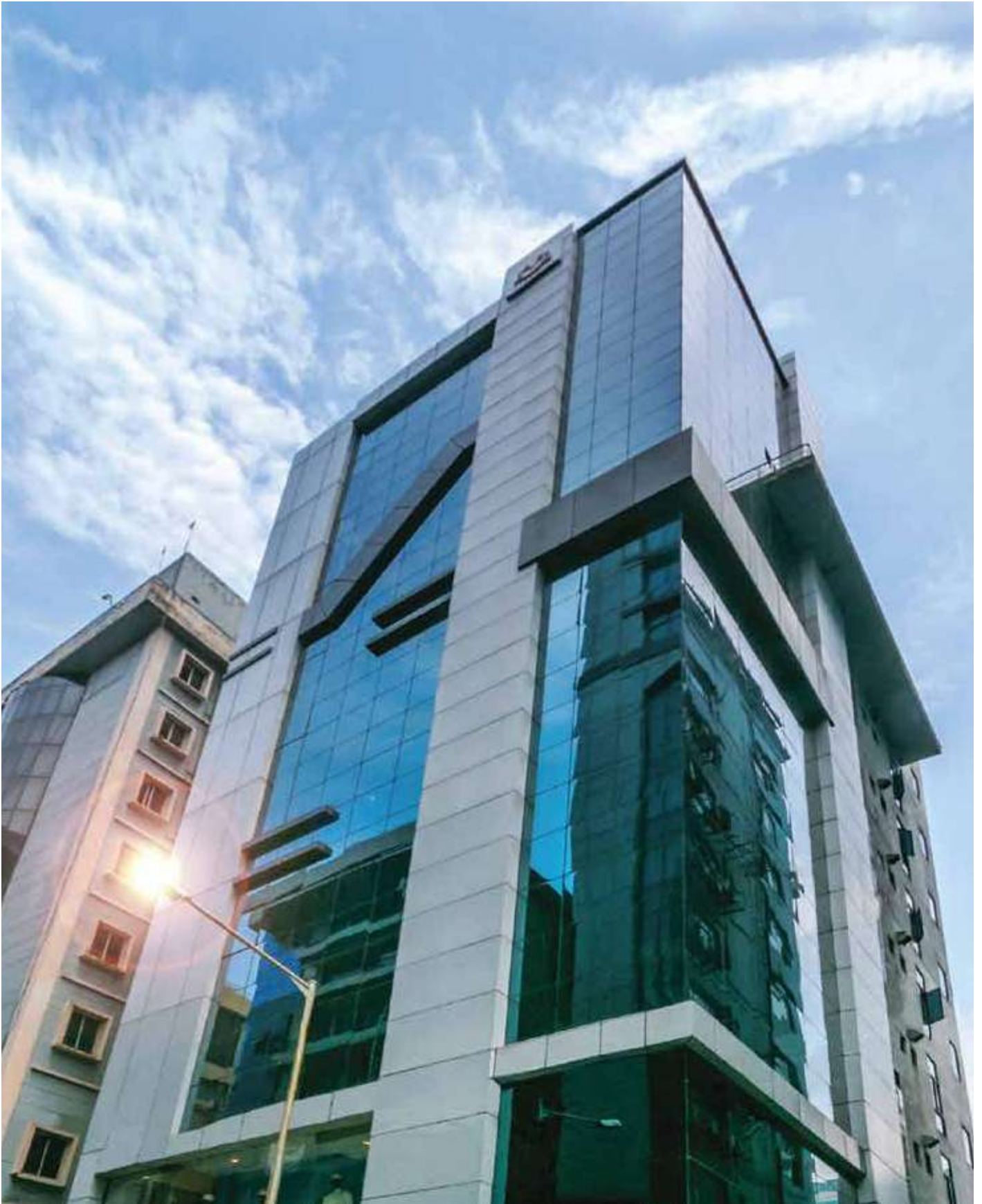
**Registered Office** : Mallcom Tower, EN-12, Sector-V,  
Salt Lake City, Kolkata -700091

**Corporate Identity Number** : L51109WB1983PLC037008

**Works**

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

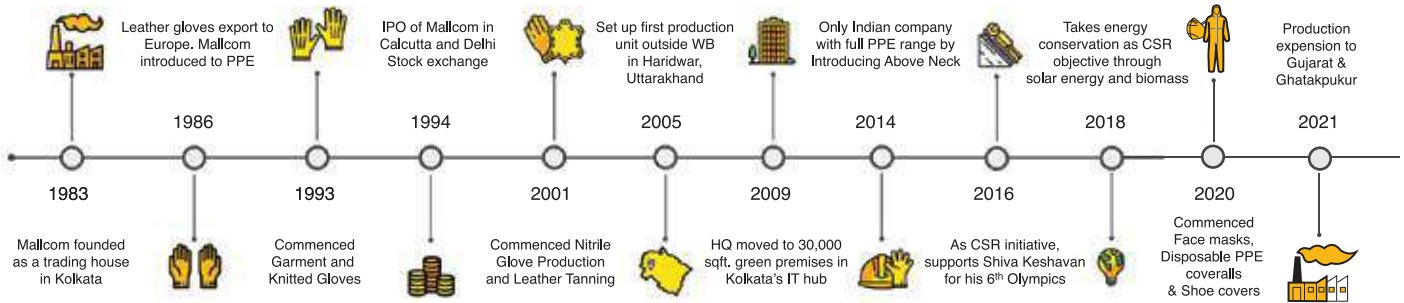
**Bankers** : Citibank N.A.  
Standard Chartered Bank  
RBL Bank Limited



# ABOUT MALLCOM

Mallcom India Limited is India's leading personal protective equipment (PPE) brand. Building 12 state of the art full integrated manufacturing facilities in its 38 years of existence, Mallcom is a pioneer in head-to-toe protection with products such as helmets, face masks, nitrile gloves, leather gloves, workwear, and safety shoes.

## MALLCOM JOURNEY



Headquartered in Kolkata, our manufacturing units are spread across 3 states in India – West Bengal, Uttarakhand, and Gujarat. While our products are being served by over 80 distributors in Asia, MENA, and SDAC region and to over 1,000 importers across 50 countries around the world.



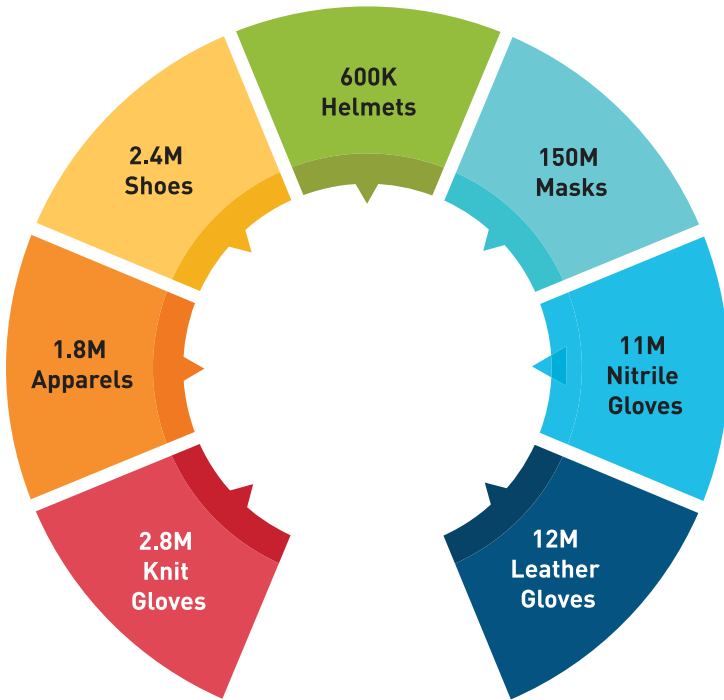
West Bengal



Gujrat



Uttarakhand



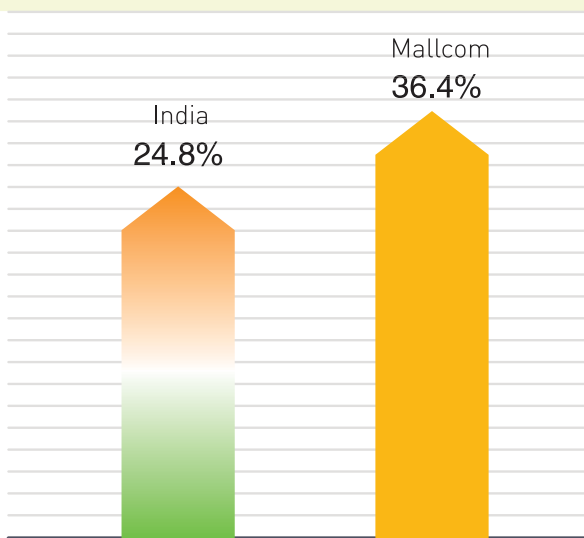
With quality as our utmost strategic imperative, all our facilities are compliant to ISO, SA, SEDEX, and Fair Wear and consist of 21st century lab rotaries compliant to European, Indian, and American norms.

The complexity in Mallcom's operations can be seen by its smooth handling of four major raw materials, namely Leather, Textile, Plastic (HDPE/LDPE), and Chemical (NBR). The ease with which Mallcom can handle these diversified raw materials shows its strength in annual capacities for its product categories:

With over 300 years of experience in Mallcom's leadership team, it can be clearly seen that we are committed to invest in future leaders of the company. Having close to 2,500 workforces, Mallcom has designed more than 20 policies for the welfare of its human resources. Our team is guided by its core values of Commitment, Ownership, and Integrity commonly also known as COIN.



**COMMITMENT OWNERSHIP INTEGRITY**



Participation of women in workforce  
(Source: UNGC, 2020)

Mallcom also encourages diversity and is known to be an equal opportunity provider which is reflected in its female workforce participation.



# COVID RESPONSE

## People Measures

Being in the business of keeping people safe in their workplaces, one of our first responses towards COVID was to ensure the safety and well-being of our biggest asset – people. We ensured and kept ensuring that our people come through this ordeal with the highest morale and a sense of belonging.

We took a host of measures such as providing a COVID insurance of INR 1 Lakh per employee, providing flexible working hours, and continuous IT support to those working from home.

We believe in honouring our commitment to all the stakeholders and especially during a time of need, therefore, during the lockdown and pandemic there was no deduction of salary or layoffs. In fact, salaries were disbursed within the 3rd day of each month and increments were made as per schedule for FY 2021-22. Furthermore, paid COVID leaves of 7-14 days were granted to employees for them or their immediate family members testing positive, and the company sponsored travel arrangements for those facing troubles.

Additionally, we recognised the need of strong mental health and conducted various online sessions from time to time to keep the workforce motivated and overcome psychological hardships.

To get back on our feet, we highly encouraged all our workforce getting vaccinated as the first opportunity and did not shy from organising multiple free vaccination drives for our workforce and their dependents in association with multiple industry bodies and hospitals. Such drives helped vaccinate 83% of our permanent employees with single dose by 14th June and the plan is to fully vaccinate by 15th August 2021 to mark our day of independence.



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**COVID INSURANCE  
OF INR 1 LAKH PER  
EMPLOYEE**

●

**NO DEDUCTION OF  
SALARY OR  
LAYOFFS**

●

**HELPED  
VACCINATE 83% OF  
OUR PERMANENT  
EMPLOYEES**

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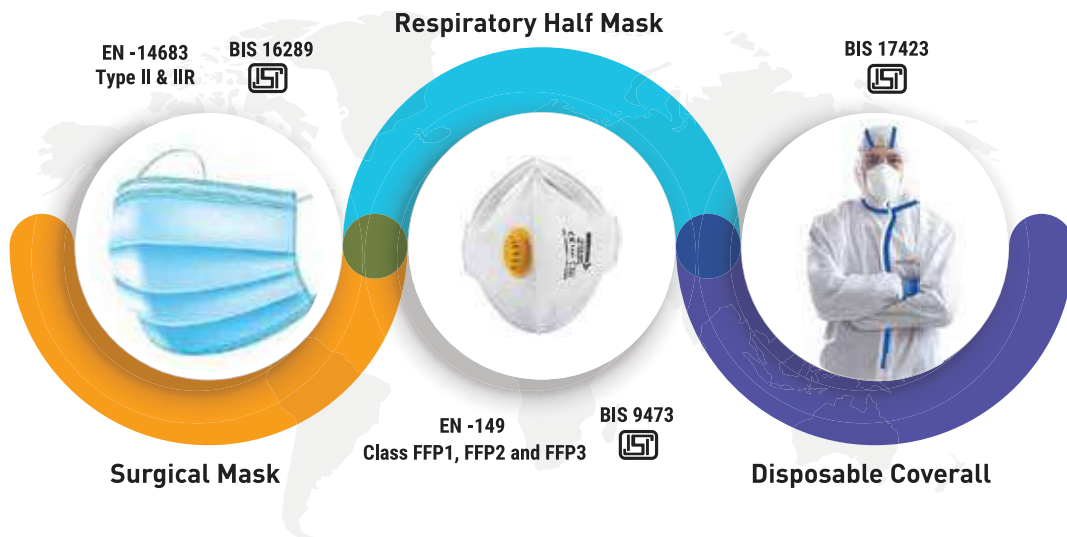
### Business Measures

Being the leader in industrial personal protective equipment (PPE) space, we had to adapt to the needs of the society and diversify into medical PPE when the time came, and so we did.

Belonging to the essential products category, in our face mask and coverall facility we temporarily stationed 30 and 100 brave employees respectively with end-to-end food and lodging arrangements to ensure smooth operation.

Even with all the hurdles, our talented team was undeterred and was able to add new products such as surgical mask, sealed disposable coveralls, shoe covers, and head covers to our product offerings aimed at frontline workers. We did not stop here, as per our ethos, we ensured that these products were tested and certified within 90 days of development. With an overall investment of INR 40 lakhs, we were able to develop and certify the following:

INR 240 Lakhs 4X Capacity	FACE MASK
INR 45 Lakhs 1.6X Capacity	DISPOSABLE COVERALL
INR 40 Lakhs 90 Days	CERTIFICATION



### Social Measures

Mallcom being a socially aware and environmentally responsible organisation realised that this battle cannot be fought alone and therefore made significant donations in cash and kind to other organisations. Some notable mentions are donating INR 10 Lakhs to PM Care Fund and face masks and disposable PPE coveralls to moHFW, West Bengal and Delhi Gurudwara (SAMA) For Oxygen Langar.

Leading from the 1st wave to 2nd, Mallcom has been on a relentless effort to create awareness about the importance, precautions, and Dos and Don'ts about the virus through ongoing presentations, seminars, posters, marketing, and consumer education. Along with this, all the facilities have been equipped with COVID friendly measures including but not limited to social distancing norms, frequent sanitization, and continuous masking.

**DONATING INR 10 LAKHS  
TO PM CARE FUND**

**DONATING FACE MASKS  
AND DISPOSABLE PPE  
COVERALLS TO MOHFW,  
WEST BENGAL AND  
DELHI GURUDWARA  
(SAMA) FOR OXYGEN  
LANGAR**

# PRODUCT LAUNCHES

## Cut-resistant Seamless Nitrile Glove with Dyneema® fibre

Mallcom has launched world's strongest hand protective gear made of Dyneema® fibre. Innovative Cutting-Edge Solutions now comes in the form of Mallcom Nitrile Glove Range. NBR coats on Cut-resistant seamless liners that are made of Dyneema® fibre. These Nitrile Gloves are uniformly coated with Acro-Nitrile Butadiene Rubber, also commercially known as Nitrile Rubber, that helps in taking care of major stress points which are certified with EN 388:2016 + A1:2018: Revised Standard.



Dyneema® Diamond Technology enables the optimal balance of weight, comfort, performance, and value in cut resistant gloves. In addition, cut resistant hand protection is part of DSM's bio-based product offering, reducing overall carbon emissions and reliance on fossil fuels during the manufacturing process without compromising overall glove performance.









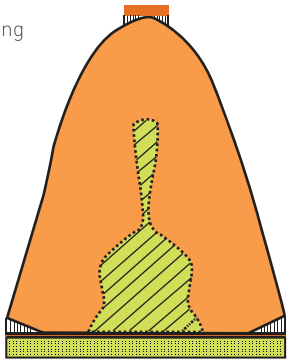
**Sport Safety Shoe**

Mallcom launched sport safety shoes namely Freddie, paying a tribute to the rockstar Freddie Mercury. These shoes have high tear and tensile strength with upper material protecting toes from falling objects and from being crushed.

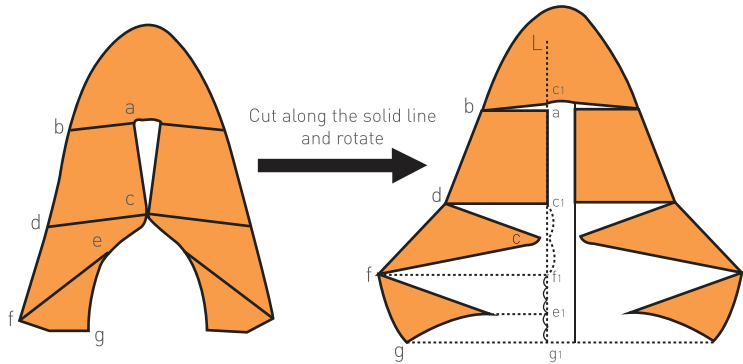
Freddie shoes are poly urethane direct injected double density sole shoes with TPU shock absorber. The shoes mainly are adapted to modern design with bright colours with special shock-absorbing systems, non-metallic composite toecap, no metal parts, light and flexible, microfiber, knitted or crocheted fabrics, breathable and comfortable.

**V-bed knit uppers**

-  Double-face knitting
-  Rid starting
-  Tubular structure
-  Local knitting
-  Safety rows
-  Cutting area



**New Marking requirements**



Breathable knitted upper



Shock absorber Oliver mould



Direct injected Aesthetically designed bicoloured PU sole



Tear strength is 2.8x times



### Polyurethane Rainwear

Mallcom protects from all kinds of weather conditions and keeps you safe through our lightweight and the portable waterproof rain. We keep you from getting wet by our PU coated jacket and trouser rainwear with reflective silver piping - Stratus & Nimbus.

Our gears are perfect for daily work, fishing, hiking, camping, cycling, mills, road construction, mining, shipyards, forestry, utilities, hunting, food processing etc. with the perfect rainwear size with comfort fit. We are confident to tell you that you will be in love with this rain gear.

Our emergency rain gear adopts through front closure by zipper and secured with flap and Velcro, detachable hood with draw string adjuster, elasticated pull-on pant with adjustable Velcro on leg bottom, which is safe, convenient, and easy to wear and take off. One size fits most people, both men and women. The edge of Mallcom rainwear over others are-Our protective raingear seams tested positive for water resistance under European norms, lightweight rainwear with non-sticky properties enhancing comfort, DMF free product ensures protection of skin from carcinogenic materials.



PU Coating Keeps the Garment free of Cracks During Storage.



Premium quality seam comes with 6 months Guarantee



Provides protection against any form of precipitation.



Breathable fabric ensures continuous ventilation of sweat



Reflective piping reduces chances of accidents.



**Lightweight Safety Helmet**

Mallcom's new lightweight and durable helmet - Jasper while meeting a wide range of standard performance requirements are also available with a choice of ratchet or zip adjustment for adaptability. Our helmet is compatible with a wide range of safety products and metal working accessories (such as eye wear, earmuff) to provide the complete solution for your application. These UV resistant HDPE Safety helmets conformed for use at temperatures ranging from 10C to 50 C.

Mallcom helmets are made of HDPE shell material with plastic and textile harness lining having 2 bands with 4 attachment points zip adjustment head measurement 52 to 60 cm. There a chin strap adjustment and sweat band option available.



Ratchet Attachment



Slot for ear defender



Zip attachment



Light & Comfortable



Ergonomic design



# DIGITIZATION

In the cutting age of technology, we have realized that we can master the challenges faced by our organization only through easy share of data and a managing a synchronization between all internal and external activities. This is achievable only through adopting the new technologies into the organizational functions and processes.

Therefore, we digitized key processes across our organization makes it more agile and streamlined, freeing up our talented individuals to focus less on manual tasks.

## Microsoft Office 365

We subscribed to O365 for all internal and external communications including real-time collaborating, chat with co-workers, managing schedules, and converting offline to online meetings during this pandemic. Our whole organizations now can work more efficiently by accessing files anywhere and storing huge data all the files in the cloud securely. Making employees active on Yammer has created a happy and healthy atmosphere within all.

## Salesforce

We have also armed our sales team with easy bi-directional flow of information between market and business with easy-to-use software namely Salesforce for virtual selling, enablement, forecasting, and planning — regardless of their location.

Salesforce has helped us in managing contacts, opportunities, process automation, tracking our sales leads, customer cases, as well as manage marketing campaigns, contracts, orders, etc. We have managed to get our salespeople to get real-time business, insights with accurate sales forecasts, and customizable, reports and dashboards.



### Oracle ERP

Mallcom has also equipped its workforce with customised Oracle ERP software to automate complete back-office operations including financial management, supply chain management, project management, accounting, procurement, and syncing with other digital platforms.

### Savior

Mallcom is an employee centric organization that focusses on the wellbeing and their productivity. Hence, we have introduced a HR management system - Saviour to handle attendance, vacation requests, leaves, and helps supervisors and HR to manage leave balance etc. saving time and enabling cross-functional reporting.

Savior allow access to only authorized persons whose data is uploaded in the Readers. It has a strong leave management & online leave request and approval that automatically sends email to the approval authority for leave request.

Saviour has helped us eliminates paperwork, removes manual interventions and improving communication, legal compliance. It also ensures that the salaries get disbursed on time and efficiently.

### Mallcom Website

We launched our website to invigorate the digital presence of Mallcom. It is developed on open architecture to have further scope to integrate another platform in future. We have also supported our website with easy-to-use CMS for product updates, news upload, content changes, option to show hide certain features about a product enhancing the scope of better engagement with customers.

Our website has helped us to generate huge customer enquiries through the enquiry form with product customisation facility through parametric selection. We also have a special login for dealers to access restricted documents.

### Mallcom Mobile Application

Mallcom has expanded its digital reach by their own dedicated mobile application for both Android and Apple — be it the corner coffee shop or a construction site, you can access our range of products from head to toe based on industry or hazard. You can customise products of our brand, locate dealers, download brochures, and choose to send an inquiry. Also, for our admirers and job seekers, to know more about Mallcom’s production prowess, its news and events, financials and job openings. People can also create a profile to get your interest specific notifications, build a list of favourite products, chat with our representatives for inquiries or feedback, download and track technical data sheets.

### Our Apps helps consumers to



# CORPORATE SOCIAL RESPONSIBILITY

## Sports

In a country of 1.3 billion, India is yet to achieve its potential in terms of sports. Mallcom took the route of sponsoring athlete's training since then because of their uncanny ability to motivate themselves and people around them. We never took CSR as textbook philanthropy. We considered this as a project – a programme – with an objective – with a start and end point and a well-defined goal. One can fairly say this a well-managed full-fledged athlete management programme. Though it is good for a sportsperson to get aid in early stage of training, it hardly comes that way.

Mallcom, as a responsible corporate entity understands the needs for promoting education, growth, and development of children from lower socio-economic section of society and has also contributed to promote Olympic and Paralympic Sports since during the financial year 2017-2018. The need of an hour is built a culture or sport friendly society in India and Mallcom share the emotion to put its contribution in making Indian healthy and of course, safe.

## Mehuli Ghosh

We also expanded our CSR activities to organize and manage full-fledged athlete management programme. We extended our support to an ace shooter, Mehuli Ghosh to become a successful Olympian badminton player.

Mehuli qualified for Commonwealth Games 2018, at the XXI Commonwealth Games held at Gold Coast, Australia where she won silver in Women's 10m Air Rifle after a shoot-off with Martina Veloso. In 2019, she won gold at the South Asian Games in Nepal. She has been awarded the title of "Female Young Athlete of the Year" award at the SportStar Aces Awards in 2020.



- ▶ **Mehuli Ghosh**  
10m Air Rifle  
World #6, India #1  
1 x Youth Olympics Silver  
1 x CWG Gold  
2 x World Cup Bronze

## Manasi Joshi

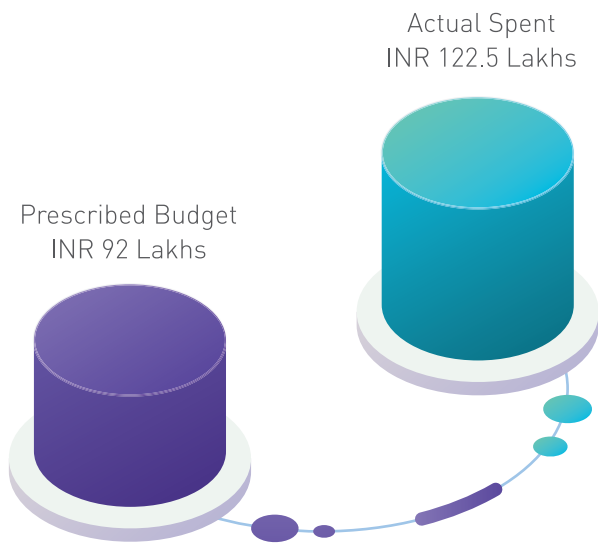
Mallcom has been assisting World Rank 2 Para-Badminton player, Manasi Joshi in her journey to conquer the badminton court with her infallible spirit inspiring many like her.

Manasi who has been an inspiration for many young girls was chosen to be felicitated by the brand by welcoming her to BARBIE SHEROES family last year. She has been duly recognised by several organisations for her efforts. Some of the awards include Time of India Sports Award for the best para-athlete, BBC Indian Sportswoman of the Year, and National Award for Best Sportsperson with a disability, TIME Next Gen Leader and has made it to the list of Self-made women of Forbes India 2020.

- ◀ **Manasi Joshi**  
Para-Badminton  
World #2  
**World Championships**  
2019 - Gold  
2017 - Bronze  
2015 - Silver  
**Asian Para Games**  
2018 - Bronze







### Mallcom CSR (2016-2021)

Last 5 Years Prescribed vs Actual Spend on CSR by Mallcom

### Girl Child Education - Project Asha Kiran

At Mallcom, we believe empowering women is the first step towards making India self-sufficient India. We are proud to launch 'Asha Kiran' - an initiative by Mallcom's Chairman to support education of girl child to help them be the light of tomorrow.

On 'National Girl Child Day' January 24, 2021, KD Mall Charitable Trust made more efforts to spread education among girls and with the aim to cover "At least one girl child from a family." Under the initiative of 'Asha Kiran' scheme, daily wagers living in lesser privileged areas whose total income is less than Rs. 25,000 are eligible to get "Asha Kiran" sponsorship for their girl children. The validity period of sponsorship will be for each academic year and will be renewed every year.



# FROM THE CHAIRMAN'S DESK

*Dear beloved shareowners.*

It is the first time in the 38 years of existence of the company that I am personally writing to all of you. Well, this is just another example of how times are changing, and we need to adapt not only as an organisation but also as individuals.

Firstly, I hope and pray that you and your loved ones are safe. The world has spoken enough about the wrath of COVID, from the economic devastations to the social consequences and the psychological impacts. However, I would like to take this opportunity to laud the unputdownable spirit of mankind. Our generation has shown immense resilience against the unknown and this could have only had happened because of some visionaries, some brave hearts, and some leaders. All this combined has given us a ray of hope towards a new beginning and a changed future.



And this is exactly the ethos of Mallcom. Starting a business in Personal Protective Equipment (PPE) in 1983 in India was a borderline crazy idea. It was nearly impossible for foreign importers to believe that India has moved from a simple agrarian economy to a manufacturing economy that too producing goods for the safety of international workers. However, our strategy was clear and concise – we are in it for long term. Adding that with immense resilience and hope has made us what we are today. We were in this domain when nobody else was in India.

We were not just in the field of safety, we focussed on ultimate quality when all cared less. Four decades of investment in processes, upskilling, and innovation have led Mallcom to become a known player in the field of PPE in India and globally. Currently, along with sustained focus on quality internally, we are experiencing a pleasant push from customers as well as legislation towards meeting international standards and producing best-in-class goods.

Mallcom has always been bullish on Bharat and hence have set up 12 fully integrated manufacturing facilities along with in-house laboratories with equipment meeting all international standards. Our aim is to bring the highest quality products to every worker and encourage for a safer environment.

The COVID 19 pandemic has given immense inorganic growth to our industry, and we are poised to capitalise on this opportunity. This is our moment to step up and take calculated risks, and we will not back out with all the trust shown to us by all the shareowners.

At Mallcom, we had been preparing the launchpad for lift-off through our continued investment in capital, manpower and machinery. Our values of commitment, integrity, and ownership help us prioritise our focus towards – people, product, and profit in that order.

Furthermore, we have also been improving our services through digitisation, logistics, and branding by being available for our stakeholders at any given point of time, monitoring our goods from sourcing to delivery at real time basis, and ensuring that buyers and users think of something larger than life when investing in our products.

Mallcom has been off to a great start in this new decade, and it is our duty to keep the momentum going with your support. There is only one way to go from here and we will not let you down.

Wishing all of you good health and safety always!

Jai Hind!

*Thanking you.*

A handwritten signature in black ink that reads "Ajay Kumar Mall".

**Ajay Kumar Mall**  
Chairman, Managing Director & CEO

# BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the Thirty-Seventh Annual Report on the business and operation of the Company together with Audited Statement of Accounts for the year ending March 31st 2021.

## FINANCIAL HIGHLIGHTS

₹ in Lakhs

Particulars	Consolidated		Standalone	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Total Revenue	32,010.57	28,814.95	32,940.85	28,814.95
Profit Before Tax (PBT)	3,745.48	2,377.24	3,404.57	2,307.33
Provision for Tax	914.28	641.81	852.33	634.25
Profit After Tax (PAT)	2,826.81	1,888.43	2,552.24	1,826.07
Other Comprehensive Income (Net of Tax)	2.62	3.51	2.62	3.51
Total Comprehensive Income for the period	2,829.44	1,891.94	2,554.86	1,829.58
<b>Appropriations</b>				
Transfer to General Reserve	2,500.00	1,600.00	2,500.00	1,600.00
Surplus carried to the next year's account	183.97	(248.46)	111.60	181.54



## OVERVIEW OF COMPANY PERFORMANCE

During the financial year 2021:

The standalone revenue of the company increased 14.32 % to Rs. 32,940.85 Lakhs compared to Rs. 28,814.95 Lakhs in 2019-20.

The standalone and consolidated profit after tax for the current year was Rs. 2,552.24 Lakhs and Rs. 2,826.81 Lakhs respectively as against Rs. 1,826.07 Lakhs and Rs. 1,888.43 Lakhs respectively for the previous year.

The consolidated revenue of the company for the year was Rs. 32,010.57 Lakhs as against Rs. 28,814.95 Lakhs for the previous year.

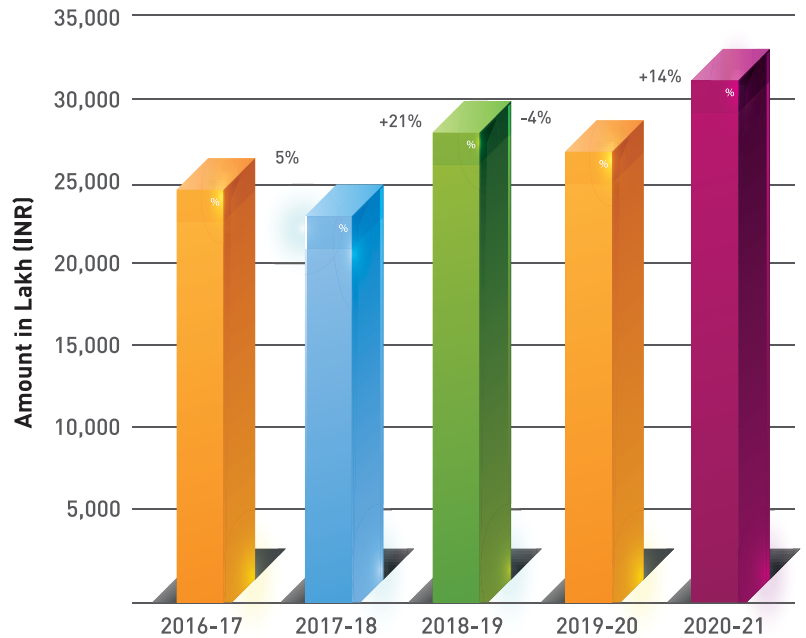
## SHARE CAPITAL

The paid up equity share capital as at March 31st, 2021 was Rs. 624.00 Lakh. During the year under review, the company has not issued shares with differential voting rights nor has granted any stock options or sweat equity.

## TRANSFER TO RESERVE

The company has transferred an amount of Rs. 2,500 Lakh to the general reserve for the financial year ended March 31st, 2021.

## Revenue Growth Over Time



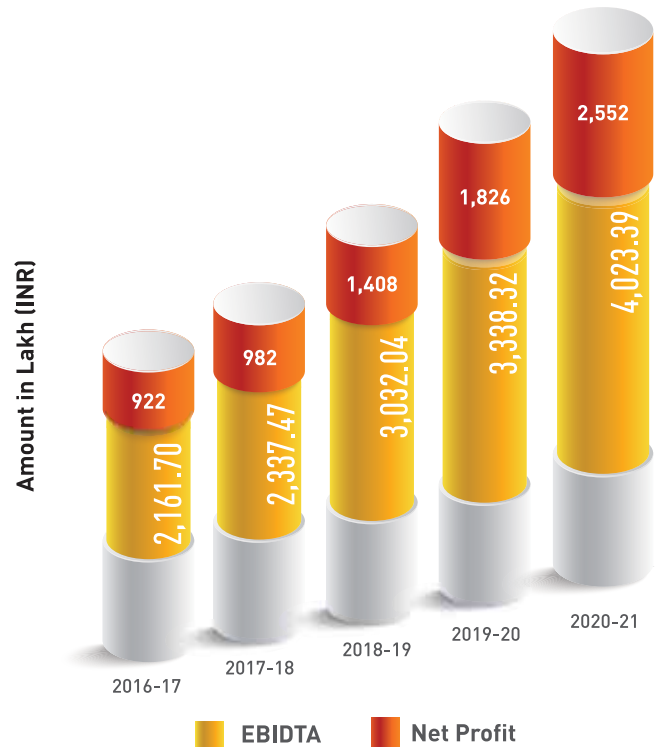
**DIVIDEND**

The Board of Directors at their meeting held on 19th June, 2021, has recommended payment of Rs. 3/- (Rupees Three only) (30%) per equity share of the face value of Rs.10 (Rupees Ten only) each as final dividend for the financial year ended 31st March, 2021. 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 2020-2021 would absorb Rs. 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.

**EBIDTA and Net Profit Growth**



**TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND**

Pursuant to the provision of Section 124(5) of the Companies Act, 2013, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid/ unclaimed dividend account is required to be transferred by the Company to Investor Education and Protection Fund (IEPF), established by the Central Government under the provisions of Section 125 of Companies Act, 2013.

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, your Company has transferred Rs. 21,758/- 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 2012-13.

## **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.

During the year under review, Mallcom Safety Pvt. Ltd., erstwhile wholly owned subsidiary of the Mallcom (India) Ltd., has issued 20,00,000 equity shares on preferential allotment basis. Out of which 14,99,900 equity shares were issued to M/s. AB Holdings Ltd. and remaining 500,100 equity shares were issued to Mallcom (India) Ltd. Post this allotment, Mallcom (India) Ltd.'s shareholding in MSPL stands at 50.003%.

Further, during the financial year 2020-2021, Mallcom (India) Ltd. acquired 100% equity stake in Best Safety Pvt. Ltd. Consequent to the acquisition, M/s. Best Safety Pvt. Ltd. became a wholly owned subsidiary of the Company.

The Consolidated Profit and Loss Account for the period ended 31st March, 2021, includes the Profit and Loss Account for the subsidiaries for the complete Financial Year ended 31st March, 2021. 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 whereable applicable, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as prescribed by the Securities and Exchange Board of India.

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

The policy for determining material subsidiaries as approved may be accessed from the Company website at the [www.mallcom.in](http://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. Arindam Bose (DIN 05202786), 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.

During the year, Mr. Arindam Bose (DIN: 05202786) (Non-Executive Non-Independent) and Mr. Gaurav Kumar Choudhary (DIN:01729690) (Non-Executive Independent) were appointed as Directors of the Company by the Members at the 36th Annual General Meeting. Further on 20th January, 2021 Mr. Gaurav Kumar Choudhary tendered his resignation as Independent Director of the Company due to his other professional commitments. The Board places its thanks for his support and guidance during his tenure.

The Board, upon the recommendation of the Nomination and Remuneration Committee, w.e.f. 19th October, 2020, appointed as Additional Director, Dr. Himanshu Rai (DIN: 07039217) (Non-Executive Independent) to hold office till the ensuing AGM. The Board recommends his appointment as Independent Director for the approval by the Shareholders of the Company at the ensuing Annual General Meeting. The Company has received consent in writing from Dr. Rai in Form DIR-2 and intimation in Form DIR-8 to the effect that they are not disqualified u/s 164(2) to act as Directors. Further, the Company has also received declaration that he meets 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.

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.

On recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members and the ensuing Annual General Meeting, the Board appointed Mr. Giriraj Kumar Mall (DIN 01043022), erstwhile non-executive director of the Company, as an executive director of the Company w.e.f. 19th June, 2021. Considering the opinion of the Nomination & Remuneration Committee and the wealth of experience and expertise of Mr. Giriraj Kumar Mall, the Board recommends his appointment as Executive Director for the approval by the Shareholders of the Company at the ensuing Annual General Meeting.

During the year under review, no other changes took place in the Board of Directors.

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.



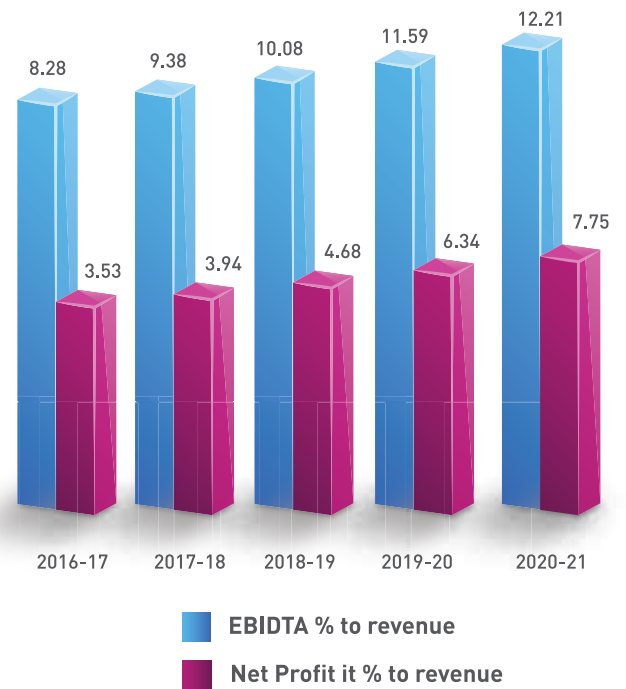


## DIRECTORS' RESPONSIBILITY STATEMENT

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, 2021 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.

## EBIDTA and Net Profit % to Revenue



## NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, 6 (Six) 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 2020-21 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](http://www.mallcom.in) under the "Codes & Policies" tab.

### **BOARD EVALUATION**

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

### **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](http://www.mallcom.in) under the "Codes & Policies" tab.

## COMMITTEES OF THE BOARD

As on 31st March, 2021, 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 reconstituted 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

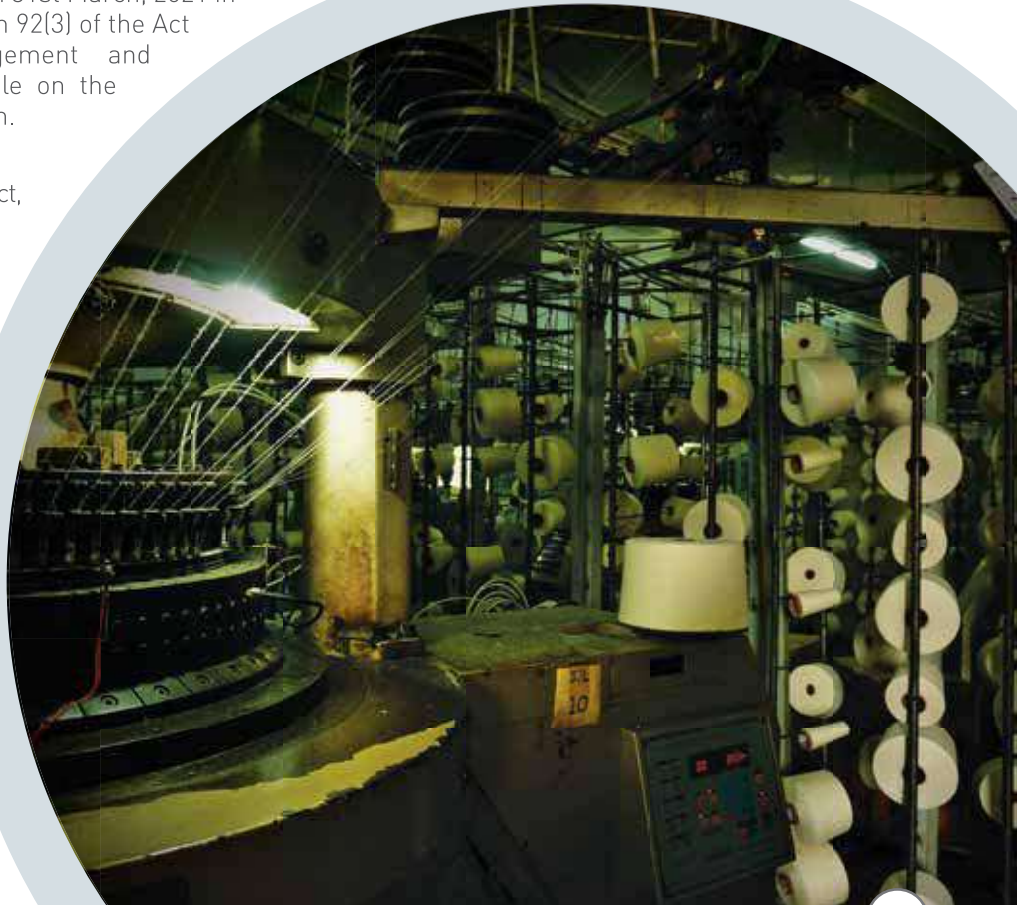
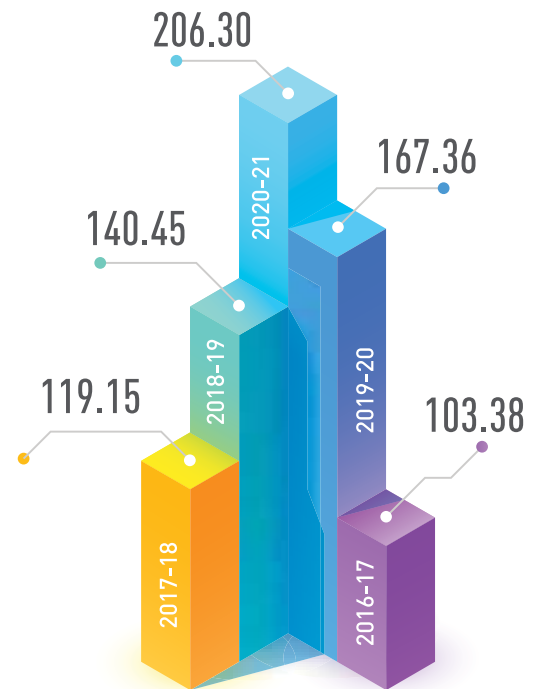
The Annual Return of the Company as on 31st March, 2021 in Form MGT - 7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, is available on the website of the Company [www.mallcom.in](http://www.mallcom.in).

## STATUTORY AUDITORS

Pursuant to Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 the members of the Company in its 36th Annual General Meeting approved the re-appointment of M/s. S. K. Singhania & Co, Chartered Accountants, as the Statutory Auditors of the Company for a further period of 5 years to hold office until the conclusion of the ensuing 41st Annual General Meeting.

The Report given by M/s. S. K. Singhania & Co, Chartered Accountants, on the financial statements of the Company for the financial year 2020-21 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.

Book Value (INR Per Share)



**DISCLOSURE ON MAINTENANCE OF COST RECORDS**

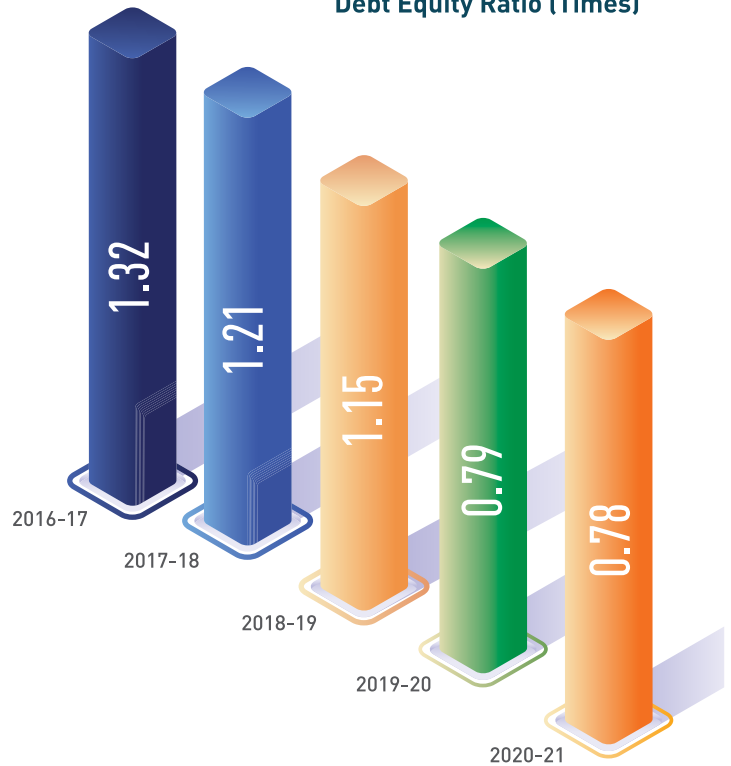
The Company made and maintained the Cost Records under section 148 of the Companies Act, 2013 (18 of 2013) for the Financial Year 2020-21.

**SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had appointed M/s. Rakhi Dasgupta & Associates, Company Secretaries in practice to undertake the Secretarial Audit of the Company for the financial year 2020-21. 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, 2021 on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder, was obtained from M/s. Rakhi Dasgupta & Associates, Secretarial Auditors, and duly submitted to BSE Ltd.

**Debt Equity Ratio (Times)**



**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.

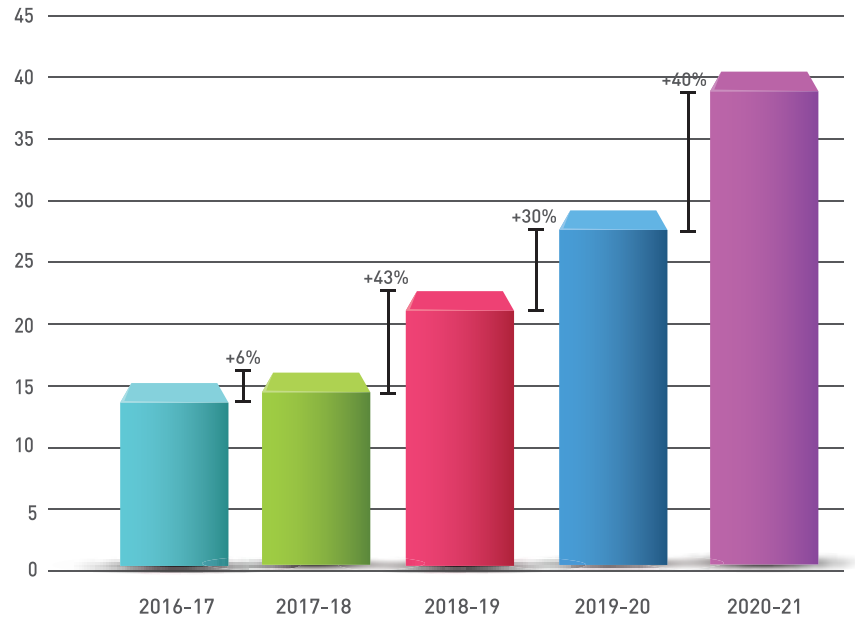


## RELATED PARTY TRANSACTIONS

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 134 of the Companies Act, 2013 is not required. Further, there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel. The Company's policy on Related Party Transaction is available on the website of the Company at [www.mallcom.in](http://www.mallcom.in) under the "Codes & Policies" tab.

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

## Earnings Per Share



## 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, 2021, the Company incurred CSR Expenditure of Rs. 31.51 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 Sportsperson. The CSR Policy of the Company is available on the website of the Company under the heading "Codes & Policies" at [www.mallcom.in](http://www.mallcom.in).

Ministry of Corporate Affairs vide its Notification(s) dated 22nd January, 2021, notified the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, which, inter alia, provides for the revised format of annual report for publishing the CSR activities undertaken during the financial year ended 31st March, 2021. The other changes pursuant to said Notification(s) under the CSR provisions, have been briefly highlighted in the annual report of the Company's CSR activities for the financial year ended 31st March, 2021. The Company's CSR statement and report on the CSR activities undertaken during the financial year ended 31st March, 2021, 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 2021, as per Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms a part of this Annual Report. The requisite Certificate from Practicing Company Secretary for confirming the compliance with the conditions of Corporate Governance is annexed to the Report.

## **RISK MANAGEMENT**

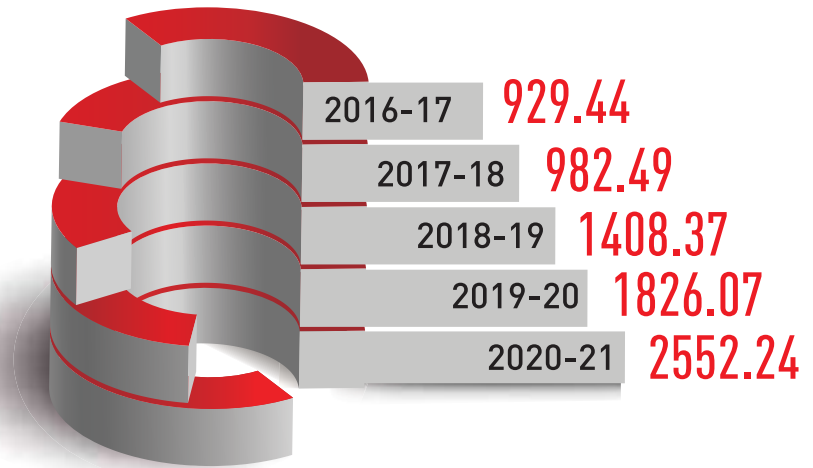
Risk Management has always been an integral part of the corporate strategy which complements the organizations capabilities with business opportunities, robust planning and execution. structured risk management system permits the management to take calibrated risks, which provides a holistic view of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



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

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

### Retained Profit



Amount in Lakh (INR)

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

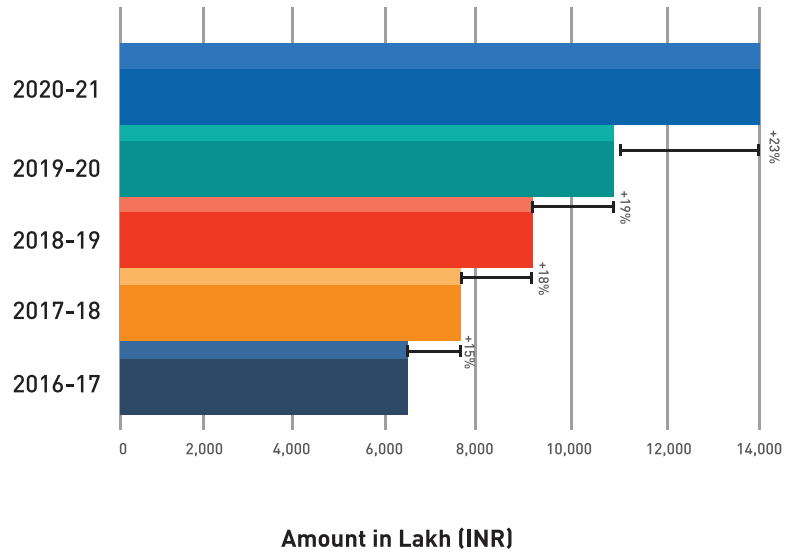
The Company has a Whistle blower policy in place whereby a forum is available for all Employee(s), business associate(s) engaged with the Company who can report any fraud, irregularity, wrong doing and unethical behaviour. The Policy provides that the Company investigate such reported matters in an impartial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



**HUMAN RESOURCES**

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

**Growth of Shareholder's Funds**



**CREDIT RATING**

During the year under review, ICRA Limited has upgraded the long-term rating for the Company's Bank Facilities to [ICRA] A- from [ICRA] BBB+ 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](http://www.mallcom.in) under the "Codes & Policies" tab. During the year no complaints were received.





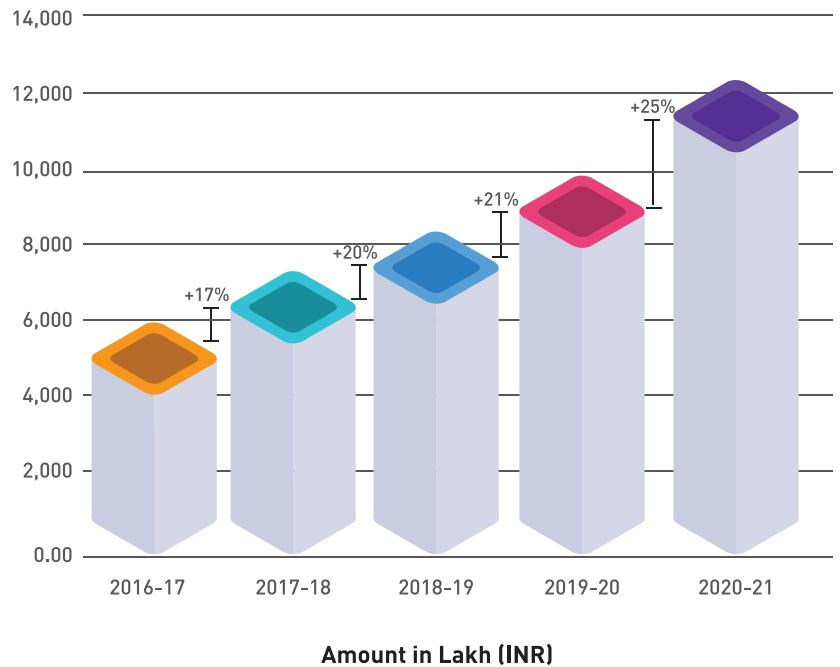
### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

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.

Reserves & Surplus Growth



## COVID 19

In view of the lockdown imposed across the country due to the COVID-19 pandemic, manufacturing operations of the Company across all its locations were suspended temporarily during March and April-2020, in compliance with the directives/orders issued by the relevant authorities. 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 31st March, 2021 and on the basis of evaluation, has concluded that no material adjustments are required in the financial results. 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. Given the criticalities associated with nature, condition and duration of COVID-19, the impact assessment on the Company's financial statements will be continuously made and provided for as required.

## ACKNOWLEDGEMENT

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

Date: 19th June, 2021

Place: Kolkata

For and behalf of the Board

Ajay Kumar Mall

Chairman, Managing Director & CEO

[DIN: 00470184]



# Annexure A

## Form AOC-1

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

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

Part "A" : Subsidiaries

Sl. No.	Particulars	Details	Details	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	2020-2021	2020-2021	2020-2021
3	Reporting Currency And Exchange Rate As On The Last Date	INR	INR	INR
4	Share Capital	3,00,00,000	4,89,40,000	2,32,03,500
5	Reserves & Surplus	7,58,46,478	5,94,48,446	3,02,33,783
6	Total Liabilities	28,74,957	8,41,51,712	93,19,227
7	Total assets	10,87,21,435	19,25,40,157	6,27,56,510
8	Investment	-	-	-
9	Turnover	15,82,845	12,88,24,302	14,30,90,215
10	Profit/ (loss) before taxation	11,56,997	3,27,47,193	1,88,212
11	Provision for taxation	2,79,671	60,41,952	(1,26,822)
12	Profit/(loss) after taxation	8,77,326	2,67,05,241	3,15,034
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 Registration No. 302206E

**Rajesh Singhania**  
Partner  
Membership No. 52722

Place: Kolkata  
Date: 19<sup>th</sup> June, 2021

**For and on behalf of the Board**

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

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

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

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

# Annexure B

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021**

*[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 31<sup>st</sup> March, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Mallcom (India) Limited ("The Company") for the financial year ended on 31<sup>st</sup> March, 2021, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **NOT APPLICABLE**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **NOT APPLICABLE**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **NOT APPLICABLE**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **NOT APPLICABLE** and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **NOT APPLICABLE**
  - (i) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015, (hereinafter referred to as as "Listing Regulation, 2015");
- (vi) Secretarial Standards 1 & 2 as issued by the Institute of Company Secretaries of India;

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

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

#### Management's Responsibility:

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on the basis of my Secretarial Audit based on the secretarial records provided to me by the management;
2. I have followed the appropriate Audit Practices and

the processes to obtain a reasonable assurance about the correctness of the content of the records. The verification was done on test-check basis to ensure that the facts are correctly reflected on the records.

3. I have not verified the correctness and the appropriateness of financial records and Books of Account of the company.
4. Wherever required, I have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

#### Recommendations:

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

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

- a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and
- b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)

Regulations, 2018, requiring compliance thereof by the Company during the audit period.

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

Adequate notice is given to all directors to schedule the

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

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

**I further report that**, based on the information provided and the representation made by the Company and also on the review of the compliance certificates / reports taken on record by the Board of Directors of the Company, in my opinion, there are adequate systems and processes in the

Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

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

Date: 19th June, 2021  
Place: Kolkata

**For Rakhi Dasgupta & Associates**  
Company Secretaries

**CS Rakhi Dasgupta**  
Proprietor: M/s. Rakhi Dasgupta & Associates  
ACS No. 28739  
CP No.: 20354  
UDIN: A028739C000512211

# Annexure C

## 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 dated the 22nd of January, 2021 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 Corporate Social Responsibility (CSR) Committee has formulated and recommended to

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

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

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

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

### 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](http://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:

Rs. 1,405.64 Lakhs

(Rs. in Lakhs)

Sl. No.	Particulars	Amounts
7 (A)	Two percent of average net profit of the company as per section 135(5)	28.11
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	28.11

**8 (A). CSR amount spent or unspent for the financial year 2020 - 2021:** Total Amount spent is Rs. 31.51 Lakhs

**8 (B). Details of CSR amount spent against ongoing projects for the financial year 2020 - 2021:** Nil

**8 (C). Details of CSR amount spent against other than ongoing projects for the financial year 2020 - 2021:**

(Rs. in Lakhs)

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 Number
1	Training & Promotion of Olympics Sports via Para Badminton Athlete Ms. Manasi Joshi	Olympics Sports	-	-	-	21.01	Yes	-	-
2	Education of Girl Child	Childhood Education	Yes	West Bengal	Kolkata	1.42	No	Karani Dan Mall Charitable Trust	NA
3	Contribution of face masks and PPE kits to State Health Authorities & other Implementing Agencies against COVID-19 Pandemic	Disaster Management/ Health & Hygiene	Yes	West Bengal	Kolkata	9.08	No	Department of Health & Family Welfare - WB Govt.	NA

**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:** Rs. 31.51 Lakhs

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

(Rs. in Lakhs)

Sl. No.	Particulars	Amounts
i	Two percent of average net profit of the company as per Section 135(5)	28.11
ii	Total amount spent for the Financial Year	31.51
iii	Excess amount spent for the financial year (ii-i)	3.40
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)	3.40



- 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) : Not Applicable

**Ajay Kumar Mall**

Managing Director & 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, 2021 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.

**For Rakhi Dasgupta & Associates**  
Company Secretaries

**CS Rakhi Dasgupta**  
Proprietor: M/s. Rakhi Dasgupta & Associates  
ACS No. 28739  
CP No.: 20354  
UDIN: A028739C000512343

Date: 19th June, 2021  
Place: Kolkata

# 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 2020-21, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 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 2020-21 [Rs. in Lakh]	% increase in Remuneration in FY 2020-21	Ratio of remuneration of each Director to median remuneration of employees
1.	Ajay Kumar Mall, Managing Director	38.66	-	17.34
2.	Giriraj Mall, Director	NA	NA	NA
3.	Ravindra Pratap Singh Independent Director	NA	NA	NA
4.	Barsha Khattry, Independent Director	NA	NA	NA
5.	Arindam Bose, Director	NA	NA	NA
6.	Himanshu Rai, Independent Director	NA	NA	NA
7.	Shyam Sundar Agarwal, Chief Financial Officer	14.00	-	NA
8.	Shuyanki Purakayastha, Company Secretary	4.53	-	NA

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

The median remuneration of employees of the Company during the financial year was Rs. 2.23 Lakh. There was no change in the median remuneration of employees during the financial year.

There were 378 permanent employees on the rolls of Company as on March 31, 2021.

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

Average percentage increase in the salaries of employees other than Managerial Personnel is nil while percentile increase in the Managerial Remuneration is nil.

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  
DIN:00470184

# 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 2020-21 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:

(Rupees in Lakhs)

	2020-21	2019-20
Foreign Exchange earnings	21,312.02	17,848.93
Foreign Exchange Outgo	5,034.65	3,082.35

For and behalf of the Board

**Ajay Kumar Mall**  
Chairman, Managing Director & CEO  
DIN:00470184

# MANAGEMENT DISCUSSION AND ANALYSIS

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

## GLOBAL ECONOMIC OVERVIEW

FY 2020-21 has been an unprecedented year in modern times, with the COVID-19 pandemic impacting human life extensively across the globe. Its impact on the economic front, too, has been significant. The slowdown across economies witnessed in 2019 exacerbated further in 2020 by the shock delivered by the pandemic. As a result, the global GDP is believed to have contracted by 3.3% in 2020, with all major economies moving into negative territory. China was the only exception amongst the major economies to have posted a positive growth in 2020, albeit at a much lower rate of 2.3%. The pandemic clearly hit the developed economies the hardest, given the strict lockdown measures that many countries in Europe and several states of the United States of America imposed early on during the outbreak. The crisis disrupted global trade, restricted cross-border travel, stalled international production networks and depressed demand worldwide. Overall, global trade in goods and services is estimated to have declined by 7.6% in 2020, a slightly smaller contraction than during the global financial crisis. The fiscal outlays from the developed countries represented nearly 80% of the total fiscal stimulus provided by governments worldwide, with US, Japan & Germany accounting for more than 50% of all fiscal stimulus worldwide. After trade flows collapsed in the early stages of the pandemic, merchandise trade has been recovering, led by China and other Asian economies that were relatively successful in containing the spread of the virus and experienced a faster-than-expected rebound in economic activities. The World Bank expects global economy to expand 4% in 2021, provided vaccine rollout is widespread. Meanwhile, output in developed economies, which shrunk by 5.4% in 2020, is projected to recover by 3.3% in 2021. The economic upheaval could have been much more severe had it not been for the quick and synchronised response from central banks and governments globally, although this too varied across countries. The increase in balance sheet sizes of almost all central banks and the supportive measures undertaken by governments globally ensured

easy availability of funding and support for both private and public consumption. This support has been instrumental in the progressive recovery seen in the last two quarters of the calendar year as compared to the significant contractions observed in the first two quarters. The sequential recovery in global trade coupled with the easy liquidity conditions have also led to a sharp rise in commodity prices. This has been further aggravated by large-scale disruptions in the global supply chain, with shipping line capacities and container availability posing a major challenge.

## INDIAN ECONOMY

The Indian economy too witnessed similar stress, with the nationwide lockdown from end of March 2020 bringing business activities to a standstill for the major part of April and May 2020. An accommodative monetary policy from the Reserve Bank of India (RBI) and fiscal policy interventions by the central government, coupled with the gradual reopening of the economic activities from June 2020, have led to a sequential recovery in economic output. India's real GDP clocked a 0.4% growth in the October-December 2020 quarter on a year-on-year basis after a sharp fall in the first two quarters of FY 2020-21. However, the recovery largely centered around the formal part of the economy. The informal players, especially the Micro, Small and Medium-sized Enterprises (MSMEs) in many industries have taken a disproportionately hit. Inflation rose, despite the pandemic, primarily led by food inflation and higher fuel taxes. On the exchange rate front, post the initial bout of depreciation in the Indian currency in the beginning of the financial year, the currency has been relatively well supported on account of robust portfolio inflows in the economy as well as a better current account position.

## PERSONAL PROTECTIVE INDUSTRY AND COMPANY'S OUTLOOK

The rollout of the vaccination drive across the major economies, including India, in the last quarter of FY 2020-21 has accorded a much-needed boost to sentiments around a sustained recovery of economic activity across the globe. Almost all major central banks have pledged to continue an accommodative monetary stance to reinforce the economic green shoots. Coupled with the base-effect, economic growth is expected to bounce back strongly in

FY 2021-22 on the global as well as the domestic front. However, a lot would hinge on how the pandemic plays out, given the resurgence of the virus and the spread of infections. There has been a re-imposition of restrictions on business activity in many states and this has again disrupted operations of our manufacturing activities as well as supply chain network. Currently there is a steady pace of recovery, the Company is well prepared to any face challenge and cater to the emerging needs of its customers. The Company places strong emphasis on managing the business in a dynamic manner and altering operational priorities to suit the changing market conditions.

Although impact of the disruptions was seen on the financials of the Company for the first quarter of FY 2020-21, the company posed a strong turnaround. With a robust Manufacturing base, strong brand affinity and a competent work force the management is confident to lead the recovery in post pandemic phase and strive to sustain profitable and industry leading growth.

The Company's focus has been on Technology and Innovation enabled capacity building, to convert the challenge of disruption into an opportunity. With the global pandemic situation, the Company recognised that Medical PPE was the product of demand with a huge global supply shortage initially due to virtually non-existent manufacturing facilities and very few operators of certified products. Your Company is among the very few who could manufacture and supply certified 5 ply FFP-1 and FFP-2 face masks, PPE kits, Nitrile Gloves and other safety items. Your Company rose to the challenge to cater to this sudden demand for Medical PPE and supplies and scaled up its production primarily to supply to Government Agencies, Medical facilities and NGOs at best affordable prices. Simultaneous work on contemporary and emerging areas has helped the Company meet the needs of the consumer of today. Technology has been adopted across the organization with the objective of simplifying processes, induce analytics driven decision making to identify emerging trends and create maximum value for all stakeholders.

During the year, your Company had also taken special initiatives in further strengthening of market position of its various products and brands. Special effort was given to the seamless availability of its products at various E-commerce sites both catering in the Industry and general public. Company emphasised development of products and new launches as well as making Mallcom brands and products familiar to all possible end users, both locally and abroad.

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

The Govt. of India had earlier estimated the Personal Protective Equipment market in India to grow at CAGR 14% by 2020. The recent COVID19 crisis however has spawned a PPE kit industry in India worth nearly Rs. 7000 Crores within a time span of 1-2 months during the latter half of FY 2019-20 and during FY 2020-21. India has now become the second largest producer of medical isolation kits in the World producing over 4.5 Lakh PPE suits daily.

We are extremely enthusiastic about the opportunities in FY 2021-22 and beyond. We finished FY 2020-21 in a strong position with our businesses delivering on our strategic priorities and generating positive momentum across the board. We are driving growth that is rooted in the fundamental business model. Going forward, there is an increasing shift being witnessed towards the organised sector owing to brand and quality awareness. With wider choice, product innovation and warranty, being offered by organised players, customers are putting more focus on this segment. "Mallcom" enjoys a privileged position because of its high quality standard and strict adherence to time schedule at the most competitive prices over the decades.

## **PERFORMANCE**

The Company has recorded a profit after tax of Rs. 2,552.24 Lakh during the financial year ended March 31, 2021 as against Rs. 1826.07 Lakh during the financial year ended 31st March, 2020. The basic & diluted earnings per share were Rs. 40.90 for financial year 2020-21 as against that of Rs. 29.26 for financial year 2019-20.

## **GLOBAL PRESENCE**

Leveraging an efficient supply chain and distribution network, Mallcom has carved out a presence in 50 countries in 6 continents. The Company ensures timely delivery of products and its customers comprise some of

the best-known global majors. The Company has established its mark as a key player in the Personal Protective Segment the world over.

### OPPORTUNITIES AND THREATS

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

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

#### Opportunities

- Mallcom (India) Ltd. (MIL) is one of the few established manufacturer and exporter of "Personal Protective Equipments" with unique advantage of offering maximum range of products vis-à-vis its competitors from India;
- it has a long track record in the Personal Protective Equipment (PPE) Category;
- it has been a rapidly growing and profit-making organization and a recognized Trading House, with quality standard confirming to ISO 9001 : 2008 and SA 8000:2008 Certified Company;
- it has been assigned Long Term Debt Rating of ICRA A- for its Working Capital Bank Borrowings by ICRA Limited;
- it is a debt free company complying with key ratios benchmarks confirming the solid financials and liquidity position of the company providing ample opportunity for the company to leverage on its fundamentals and market reputation to expand its scale of operations to meet future demands;
- Usage of Personal Protective Equipment (PPE) being mandatory at most of the work places both in India

and abroad and rising awareness for the work safety coupled with advancement of work culture/ technology will result in consistent growth in demand for company's products;

- The Company has a first mover's advantage and strong Brand value for its products range and marketing in domestic market. Quality of Indian fabrics and the growth momentum in India, despite rising inflation, may be taken as an opportunity for Indian exports.

#### Threats

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

#### RISKS AND CONCERNS

- The Company's results are affected by competitive conditions and customer preferences.
- COVID-19 pandemic has caused widespread damage to the global economic growth in 2020. Vaccine development across the world has raised the recovery optimism. However, further spread of virus could slowdown the momentum impacting the market demand for carbon black.
- Geopolitical conflicts and trade wars between major economies could impact global demand, leading to a decline in demand for company's products.
- Any sharp hike in raw material costs arising out of geopolitical conflicts could stretch working capital requirements and increase short-term borrowings, impacting the Company's finance costs.
- The operations are subject to risk arising from fluctuations in exchange rates with reference to currencies in which the company transacts.

### **INTERNAL CONTROL SYSTEMS AND ADEQUACY**

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

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

Date: 19<sup>th</sup> June, 2021  
Place: Kolkata

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

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

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

For and on behalf of the Board

**Ajay Kumar Mall**  
Chairman & Managing Director & CEO  
DIN:00470184



## FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

### Highlights of Financial Performance :

(Rs. in Lakhs)

Sl. No.	Particulars	Standalone		Consolidated	
		2020-21	2019-20	2020-21	2019-20
1.	Net Sales/ Income from Operations	32,632.95	28,769.09	31,688.45	28,769.09
2.	Other Income from Operations	307.90	45.86	322.12	45.86
3.	Total Income from Operations (1+2)	32,940.85	28,814.95	32,010.57	28,814.95
4.	Total Expenditure	29,536.28	26,507.62	28,265.08	26,437.70
5.	Operating Profit	4,023.39	3,338.32	4,483.37	3,197.22
6.	Operating Margin	12.33%	11.60%	14.15%	11.11%
7.	Depreciation	460.96	468.78	578.08	563.30
8.	Provision for Tax	852.33	634.25	914.28	653.05
9.	Profit/Loss after Tax	2,552.24	1,826.07	2,831.21	1,888.43

### Cash flow analysis:

(Rs. in Lakhs)

Sl. No.	Particulars	Standalone		Consolidated	
		2020-21	2019-20	2020-21	2019-20
<b>Source of Cash</b>					
1.	Cash flow from Operations	2,216.79	3,179.99	1,882.32	2,773.44
2.	Non-Operating Cash flows	[3,150.25]	[459.91]	681.92	165.76
3.	Increase/ (Decrease) in Cash & Cash Equivalent	2,479.74	229.32	2,536.55	233.34
	<b>Total</b>	<b>1,546.28</b>	<b>2,949.40</b>	<b>5,100.79</b>	<b>3,172.54</b>
<b>Use of Cash</b>					
1.	Net Capital Expenditure	1,384.00	538.28	2,667.45	(669.00)
2.	Financial Expenses	157.86	256.83	159.80	(256.67)
3.	Dividend (Including Dividend Tax)	124.80	150.45	124.80	150.45
4.	Direct Taxes Paid	829.61	634.25	849.76	653.05
5.	Increase/ (Decrease) in Non-Current Investments	462.11	1,580.34	246.61	291.00
6.	Repayment of borrowings	[2,094.39]	1,293.91	[2,094.39]	1,293.91
7.	Net Change in Working Capital	682.29	[1,504.66]	3146.76	1,709.80
	<b>Total</b>	<b>1,546.28</b>	<b>2,949.40</b>	<b>5,100.79</b>	<b>3,172.54</b>

### CAUTIONARY STATEMENT

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

## REPORT ON CORPORATE GOVERNANCE

### THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

### GOVERNANCE STRUCTURE AND DEFINED ROLE AND RESPONSIBILITIES

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 2020-21, the time gap between any two Board Meeting 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.

### 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. However, in case of special and urgent business needs, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting. During the financial year 2020-21, all meetings of the Board were held through video conference in accordance with the provisions of law.

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. This ensures focused and effective discussions at the meetings.

The Board has complete access to all Company-related information. The Company Secretary is responsible for

collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Chairman of the Board and the Company Secretary in consensus determine the Agenda for every meeting along with explanatory notes. 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. All material information is circulated to the Directors before the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of the Listing Regulations. 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. The necessary quorum was present for all the meetings.

The Company adheres to the provisions of the Act read with the Rules issued thereunder, Secretarial Standards and Listing Regulations with respect to convening and holding the meetings of the Board of Directors, its Committees and the General Meetings of the shareholders of the Company.

#### COMPOSITION AND CATEGORY OF DIRECTORS

As at 31st March, 2021, the composition of the Board of Directors of the Company, their attendance at Board Meetings/Annual General Meeting held during the year 2020-21 and the number of Directorships and Committee Chairmanships/Memberships held by them in other Companies are given herein below:

Name of Director	Category of Directorship	No of Board Meetings		Attendance at the last AGM held on 24.09.2020	No. of Directorship held in other Companies	No. of other Committee		No. of Shares and Convertible instruments by Non-Executive Directors
		Held	Attended			Members	Chairman	
Mr. Ajay Kumar Mall (DIN:00470184)	Chairman, Managing Director & CEO	6	6	Yes	Nil	Nil	Nil	NA
Mr. Giriraj Kumar Mall (DIN:01043022)	Non-Executive Director (Appointed as Executive Director w.e.f. 19.06, 2021 subject to approval of the Members at the ensuing AGM)	6	6	Yes	Nil	Nil	Nil	48,323
Mr. Ravindra Pratap Singh (DIN: 00240910)	Non-Executive, Independent Director	6	5	No	Nil	Nil	Nil	Nil
Dr. Barsha Khattry (DIN: 01974874)	Non-Executive, Independent Director	6	6	Yes	Nil	Nil	Nil	Nil
Mr. Arindam Bose (DIN )	Non-Executive Non-Independent Director	6	5	Yes	Nil	Nil	Nil	Nil
Dr. Himanshu Rai (DIN )	Additional Director (Non-Executive, Independent) (Appointed w.e.f. 19.10.2020)	6	2	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 Six (6) times during the financial year 2020-21 i.e, on 29th June, 2020, 31st July, 2020, 12th November, 2020 and 8th February, 2021, 26th February, 2021 and 9th March, 2021. 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.

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 2020-21, separate meeting of the Independent Directors were held on 29th June, 2020.

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

Mr. Ajay Kumar Mall, Chairman, Managing Director and CEO, is the brother of Mr. Giriraj Kumar Mall, Non-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 29<sup>th</sup> June, 2020, without the presence of the Non-Independent Directors and members of the Management, inter alia to evaluate:

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

All Independent Directors were present at the meeting.

#### **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 fulfill its role effectively. The details regarding Independent Directors' Familiarisation Programmes are given under the "Codes & Policies" section on the website of the Company [www.mallcom.in](http://www.mallcom.in).

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

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

competence areas:

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

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

Expertise /Skills of Directors:

Sr. No.	Name of Director	Expertise/ Skill
1	Mr. Ajay Kumar Mall	Strategic Marketing, Business development, Finance and allied fields, standardization of systems and processes across the organization,
2	Mr. Giriraj Kumar Mall	Strategic Marketing, Brand Development, IT reforms, Technology matters and Business Administration
3	Dr. Barsha Khattry	Corporate Advisory, Economics, Finance and allied fields
4	Mr. R.P. Singh	Corporate Advisory, Finance and allied fields.
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](http://www.mallcom.in). All Board members, Key Managerial Personnel and Senior Management Personnel have affirmed compliance with the code for the year ended on 31st March, 2021. Declaration to this effect signed by the Managing Director for the year ended on March 31, 2021 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**

The Audit Committee of the company is entrusted

with the responsibility to supervise the company internal control and financial reporting process inter alia, performs as follows:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to Statutory Auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the Annual Financial Statements before submission to the Board for approval, with particular reference to:-
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of section 134 of the Companies Act, 2013;
  - b) Changes, if any, in accounting policies and practices and reasons for the same;
  - c) Major accounting entries involving estimates based on the exercise of judgment by the management;
  - d) Significant adjustments made in the Financial Statements arising out of Audit findings;
  - e) Compliance with listing and other legal requirements relating to Financial Statements;
  - f) Disclosure of any related party transactions;
  - g) Qualifications, if any, in the draft Audit Report.
  - h) The going concern assumption.
5. Reviewing and monitoring with the management, the quarterly Financial Statements before submission to the Board for approval.

6. Approval of any subsequent modification of transactions of the company with related parties.
7. Scrutiny of inter-corporate loans and investments.
8. Valuation of undertakings or assets of the listed entity, wherever it is necessary.
9. Evaluation of internal financial controls and risk management systems.
10. Reviewing with the management performance of Statutory and Internal Auditors, adequacy of the internal control systems.
11. Discussing with Internal Auditors any significant findings and following up thereon.
12. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the same to the Board.
13. Discussing with Statutory Auditors before the Audit commences about the nature and scope of Audit as well as post-audit discussion to ascertain any area of concern.
14. To look into the reasons for substantial defaults in the payment to the shareholders, (in case of non-payment of declared dividends) suppliers and other creditors, if any.
15. To review the functioning of the Whistle Blower Mechanism, in case the same exists.
16. Carrying out any other functions as is mentioned in the terms of reference of the Audit Committee.

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

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

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

Audit Committee's composition and terms of reference are in compliance with the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015. During the year under review, the Audit Committee met five times i.e. on 29<sup>th</sup> June, 2020, 31<sup>st</sup> July, 2020, 12<sup>th</sup> November, 2020, 8<sup>th</sup> February, 2021 and 26<sup>th</sup> February, 2021. The gap between the two meetings was not more than 120 days. The Company Secretary acts as the Secretary of the Committee.

The details of member's attendance at the Audit Committee Meetings during the financial year 2020-21 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	5	5
2.	Mr. Giriraj Kumar Mall (DIN:01043022)	Member	Non-Executive, Non- Independent Director	5	5
3.	Dr. Barsha Khattry (DIN: 01974874)	Member	Non-Executive, Independent Director	5	5

### 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 29<sup>th</sup> June, 2020 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 2020-21 are as follows:

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

On, 19<sup>th</sup> June, 2021, 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](http://www.mallcom.in).

#### Remuneration of Executive Director

The Committee recommends to the Board, remuneration of Executive Directors subject to approval by the Members and such other authorities, as may be necessary. While recommending the remuneration, the Committee considers various factors such as qualifications, experience, expertise, position, leadership qualities, prevailing remuneration in the industry, volume of the Company's business and profits earned by it and the responsibilities taken by the director concerned. The remuneration are within the limits as prescribed under



Section 197 and Schedule V of the Act and Rules made there under. Executive Directors are not paid

sitting fees for attending the Meetings of the Board and its Committees thereon.

The details of remuneration paid to Executive Directors during the financial year 2020-21 are as:-

Name of Executive Director	Category	Salary [Rs. in lakhs]	Perquisites	No. of Shares Held As On 31.03.2021
Mr. Ajay Kumar Mall (DIN:00470184)	Managing Director	38.66	Nil	10,25,320

#### Remuneration of Non Executive Director

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

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

The details of remuneration, sitting fees and commission paid to each of the non-executive Directors during the financial year 2020-21 are as follows:

Name of Non-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	1,16,000	Nil	Nil
Dr. Barsha Khattry (DIN: 01974874)	Non-Executive, Independent Director	1,36,000	Nil	Nil
Mr. Giriraj Kumar Mall (DIN: 01043022)	Non-Executive, Non-Independent Director	Nil	Nil	48,323
Mr. Arindam Bose (DIN: 05202786)	Non-Executive, No -Independent Director	1,00,000	Nil	Nil
Dr. Himanshu Rai (DIN: 07039217)	Non-Executive, Independent Director	40,000	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 29<sup>th</sup> June, 2020 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 during the financial year 2020-21 are given below:

Sl. No.	Name Of the Member	Position	Category	No. of Meetings	
				Held	Attended
1.	Mr. Giriraj Kumar Mall [DIN:01043022]	Member	Non-Executive, Non- Independent Director	1	1
2.	Mr. Ajay Kumar Mall [DIN:00470184]	Chairperson	Managing Director & CEO	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
2. Reports, non- receipts of declared dividend etc;
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. Giriraj Kumar Mall [DIN: 01043022]	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 29<sup>th</sup> June, 2020 and the requisite quorum was present at the meeting. Company Secretary is designated as the Compliance Officer who oversees the redressal of the investor's grievances.

The Status of Investor Complaints as on March 31, 2021, 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, 19<sup>th</sup> June, 2021, 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].

#### 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-Sixth Annual General Meeting	24 <sup>th</sup> 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	19 <sup>th</sup> September, 2019 at 12:05 p.m.	"Rabindra Tirtha" DG-17, DG Block (Newtown), Action Area I, Kolkata - 700156	No
Thirty-Fourth Annual General Meeting	27 <sup>th</sup> August, 2018 at 12:05 p.m.	"Rabindra Okakura Bhavan", Block - DD, 27/A/1, Sector - 1, DD Block, Salt Lake City, Kolkata - 700064	Yes 1. Re-appointment of Mr. Ravindra Pratap Singh (DIN 00240910) as an Independent Director for another consecutive term of 5 years. 2. Re-appointment of Dr. Barsha Khattry (DIN 01974874) as an Independent Director for another consecutive term of 5 years.

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

Nil

#### PERSON WHO CONDUCTED THE POSTAL BALLOT EXERCISE

Not Applicable

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

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

#### MEANS OF COMMUNICATION

- Financial Results: The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchange immediately after they are approved by the Board alongwith limited review report or audit report as applicable. These were published in Business Standard or Financial Express in English and Sukhabar in Bengali.

- Website: These results are simultaneously posted on the website of the Company at [www.mallcom.in](http://www.mallcom.in) and also uploaded on the website of the Exchange where the Company is listed i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). 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: Thursday

Date: 9<sup>th</sup> September, 2021

Time: 12 Noon

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

The Companies registered office at EN-12, Sector-V, Salt Lake, Kolkata - 700091 will be

considered as the venue for the purpose of this Annual General Meeting.

**b) Financial year**

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

**c) Dividend Payment:**

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

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

Financial Year	Rate of Dividend (%)	Dividend Per Share (Rs.)	Total Dividend Amount (In Rs.)
2016	20	2.00	1,24,80,000
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

**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. 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 Limited (BSE) in terms of the Listing Regulations and other applicable rules and regulations issued by the SEBI.

**g) Stock code**

BSE scrip code - 539400

ISIN - INE389C01015

**h) Registrar & Share Transfer Agent**

Niche Technologies Pvt. Ltd.

3A Auckland Place, 7th Floor, Room No. 7A & 7B, Kolkata- 700017

Ph-(033) 2280 6616 / 17 / 18; Fax- (033) 2280 6619

**i) Share Transfer System:**

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

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

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

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

**j) Dematerialization of shares:**

Break up of shares in physical and demat form as on 31st March, 2021 is as follows:

Particulars	No. of Shares	% of Shares
Dematerialised Shares	62,17,581	99.64
Physical Shares	22,419	0.36
Total Issued Capital	62,40,000	100.00

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

Monthly high & low prices of the equity shares of the Company at BSE and BSE (Sensex) during the Financial year 2020-21

Month	Share Price At BSE		BSE SENSEX	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2020	278.20	139.40	33,887.25	27,500.79
May, 2020	275.00	237.00	32,845.48	29,968.45
June, 2020	275.65	230.00	35,706.55	32,348.10
July, 2020	285.60	240.00	38,617.03	34,927.20
August, 2020	272.60	231.00	40,010.17	36,911.23
September, 2020	253.75	223.10	39,359.51	36,495.98
October, 2020	258.45	211.05	41,048.05	38,410.20
November, 2020	253.20	215.00	44,825.37	39,334.92
December, 2020	333.30	239.00	47,896.97	44,118.10
January, 2021	359.00	282.00	50,184.01	46,160.46
February, 2021	362.00	290.00	52,516.76	46,433.65
March, 2021	457.85	300.10	51,821.84	48,236.35

**l) In case the securities are suspended from trading, the directors report shall explain the reason thereof**  
Not Applicable

**m) Distribution of Shares:**

The shareholding distribution of the equity shares as on March 31, 2021 is given below:-

Group Of Shares	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
1 to 500	1796	94.03	1,09,633	1.76
501 to 1000	55	2.88	42,882	0.69
1001 to 5000	38	1.99	79,654	1.28
5001 to 10000	4	0.21	28,672	0.46
10001 to 50000	7	0.37	2,52,071	4.04
50001 to 100000	3	0.16	2,65,300	4.25
100001 and above	7	0.36	54,61,788	87.52
<b>TOTAL</b>	<b>1910</b>	<b>100.00</b>	<b>62,40,000</b>	<b>100.00</b>

**n) Shareholding Pattern:**

The shareholding of different categories of the shareholders as on March 31, 2021 is given below:-

Category	No. of shares	Percentage
Promoter's Holding,	46,04,209	73.79
Individual/others,	16,35,791	26.21
Total,	62,40,000	100.00

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

Not Applicable.

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

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

**q) Plant Location:**

The Company's plants are located at:

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

**r) Address for correspondence:**

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

**s) Credit Rating**

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

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

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

**u) 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.

**v) Secretarial Compliance Report:**

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 read with Regulation 24A of the Listing Regulations, directed listed entities to conduct Annual Secretarial Compliance Audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued thereunder. The said Secretarial Compliance Report is in addition to the Secretarial Audit Report by Practicing Company Secretaries and is required to be submitted to Stock Exchanges within 60 days of the end of the financial year.

The Company has engaged the services of M/s. Rakhi Dasgupta & Associates (CP No. 20354).

Practicing Company Secretary and Secretarial Auditor of the Company for providing this certification and the said certificate is uploaded in the website of BSE Ltd.

**w) 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 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 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](http://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](http://www.mallcom.in) under the "Codes & Policies" section.

- vii. On the basis of written representations/ declaration received from the Directors, as on 31st March, 2021, 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 under the "Codes & Policies" section.
- x. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor is detailed in Notes to the Consolidated Audited Financial Statements of the Company.
- xi. The Company has zero tolerance towards sexual harassment at the workplace the company has in place the sexual harassment policy, duly approved by its board and has also formed committees called Internal Complaints Committee at corporate office and at all regional offices for prevention and prohibition of sexual harassment and redressal against complaints of sexual harassment of working women at the workplace as per Sexual Harassment of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013 read with Sexual Harassment of Women At Workplace (Prevention, Prohibition And Redressal) Rules, 2013. This Internal Complaints Committee has the power/ jurisdiction to deal with complaints of sexual harassment of working women as per the rules specified therein. All the employees (permanent, contractual, temporary, trainees) are covered under this policy. During the financial year 2020-21, no such complaints were received across the organisation.
- xii. The Company has not raised funds through preferential allotment or Qualified Institutional Placement.
- xiii. During the financial year, Mr. Gaurav Kumar Chaudhary (DIN01729690), Independent Director of

the Company resigned on 20th January, 2021, before the expiry of his tenure, due to personal reasons and other professional commitments. He has confirmed that there are no reasons other than those stated in this letter for resigning from the Board. The resignation letter alongwith confirmation has been intimated to the stock exchange in terms of Regulation 30 of SEBI (LODR) Regulations, 2015.

#### **DISCRETIONARY REQUIREMENTS:**

- i. **The Board:** As the Chairman of the Company is an Executive Chairman, hence the provision on entitlement of chairperson's office at the expense of the Company in case of a Non-Executive Chairperson is not applicable.
- ii. **Shareholders' Rights:** Quarterly financial statements are published in leading newspapers and uploaded on Company's website [www.mallcom.in](http://www.mallcom.in) and on [www.bseindia.com](http://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 2020-21.
- 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.



## 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, Managing Director & CEO  
[DIN:00470184]

Place: Kolkata

Date: 19th June, 2021

## DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

To,  
The Members  
Mallcom (India) Limited

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31st March, 2021.

Date: 19<sup>th</sup> June, 2021  
Place: Kolkata

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

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

To,  
The Board of Directors  
Mallcom (India) Limited

We, Ajay Kumar Mall, Managing Director & CEO and Shyam Sundar Agarwal, 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, 2021 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, 2021, 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)

**Shyam Sundar Agarwal**  
Chief Financial Officer

Date: 19<sup>th</sup> June, 2021  
Place: Kolkata

# CORPORATE GOVERNANCE CERTIFICATE

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

This is to certify that:

1. We have examined the compliance of conditions of corporate governance by M/s. Mallcom (India) Ltd [hereinafter referred "the Company"], for the year ended on 31<sup>st</sup> March, 2021 as stipulated in relevant regulations of Securities and Exchange Board of India [Listing Obligations and Disclosures requirements] Regulations, 2015, with Stock exchange(s) and as stipulated in the guidelines on Corporate Governance [hereinafter referred "the Guidelines"].
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company. We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of Certification and have been provided with such records, documents, certifications, etc. as had been required by us.
3. The Company has taken steps for reviewing of Compliances of Laws. An elaborate system is in place for management of currency as well as interest rate risk relating to Foreign Loan and steps had been taken in other areas of integration and alignment of Risk Management with corporate and operational objectives.
4. As per the records maintained by the company there is no investor grievances remaining unattended or pending more than 30 days.
5. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.
6. We further state that such compliance is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Rakhi Dasgupta & Associates**  
Company Secretaries

**CS Rakhi Dasgupta**  
Proprietor: M/s. Rakhi Dasgupta & Associates  
ACS No. 28739  
CP No.: 20354  
UDIN: A028739C000512519

Date: 19th June, 2021  
Place: Kolkata

## FIVE YEARS HIGHLIGHTS

### A. Profit & Loss Statement

(Rs. In Lakhs)

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17
Revenue from Operations	32,632.95	28,769.09	30,072.74	24,830.22	25,848.80
Other Income	307.9	45.86	21.31	80.76	252.44
Total Revenue	32,940.85	28,814.95	30,072.74	24,910.98	26,101.24
EBIDTA	4,023.39	3,338.32	3,032.04	2,337.47	2,161.70
Depreciation & Amortizations	460.96	468.78	467.11	427.91	436.04
Exceptional & Extraordinary items	-	152.99	-	-	-
Finance Costs	157.86	256.23	390.5	413.08	330.16
Profit Before Tax	3,404.57	2,460.32	2,174.43	1,496.48	1,395.50
Tax Expenses	852.33	634.25	766.06	513.99	473.58
Net Profit	2,552.24	1,826.07	1,408.37	982.49	921.92
Cash Profit (in Rs.)	3,013.2	2,294.85	1,875.48	1,417.04	1,349.44
Basic and Diluted EPS (In Rs.)	40.9	29.26	22.57	15.79	14.89

### B. Balance Sheet

(Rs. In Lakhs)

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17
Net Block of Fixed Assets	3,242.43	2,809.92	3,046.33	3,083.19	2,923.18
Shareholders Fund/ Capital Employed	12,873.09	10,443.02	8,753.63	7,434.66	6,451.14

### C. Key Ratios

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17
EBIDTA to Revenue from Operations (%)	12.33	11.60	10.08	9.41	8.36
Return on Equity (Net Worth) %	19.83	17.49	16.09	13.21	14.29

# 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 standalone financial statements of **MALLCOM (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2021, and 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.

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 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, 2021, 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 Companies Act, 2013. 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 Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### 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:

<b>(i) Completeness, existence and accuracy of Revenue Recognition [Refer to Note 3.14 and 23 to the standalone financial statements]</b>	
<b>Key Audit Matters</b>	<b>How the matter was addressed in our audit</b>
Revenue is one of the key profit drivers and is therefore susceptible to mis-statement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year. The Company manufactures and sells a number of products to its customers. The Company has adopted the new accounting standard Ind AS 115 as at April 1, 2018 and accordingly has reviewed its sales contracts for determining the principles for recognizing revenue in accordance with the new standard.	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.
<b>(ii) Existence and Valuation of Inventories [Refer note 3.9 and 9 of the Standalone Financial Statements]</b>	
<b>Key Audit Matters</b>	<b>How the matter was addressed in our audit</b>
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.	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.

Key Audit Matters	How the matter was addressed in our audit
<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>b) Assessing whether items in the inventory ageing report prepared by the management were classified within the appropriate ageing bracket;</p> <p>c) Performing a review of the provisions for inventories by examining movements in the balance during the current year and new provisions made for inventory balances as at 31 March 2021 during the current year to assess the historical accuracy of management's inventory provisioning process;</p> <p>d) Assessing, on a sample basis, the net realizable value of slow-moving and obsolete inventories and inventories with low or negative gross margins as calculated by management with reference to prices achieved and costs to sell after the financial year end.</p> <p>Attending cyclical inventory counts at various godowns &amp; factories at regular intervals during the reporting period and evaluating the results of the cycle counts performed by the management throughout the year to assess management's estimation of the provisioning.</p>

### Information other than the Financial Statements and 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 financial statements and our auditor's report thereon.

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 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.

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

- 1) As required by the Companies (Auditor's Report) Order, 2016 ["the Order"], issued by the Central Government of India in terms of sub-section (11) of section 143 of the 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.
- 2) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The 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.

d) 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of 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, the remuneration paid by the 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 Company has disclosed the impact of pending litigations as at 31<sup>st</sup> March 2021 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.

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

**Rajesh Singhania**  
Partner  
Membership No. 52722  
UDIN : 21052722AAAAA3143

19A, Jawaharlal Nehru Road,  
Dated: 19th June, 2021  
Place: Kolkata

## ANNEXURE A TO THE INDEPENDENT AUDITORS REPORT

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

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 fixed assets.
- b) The fixed assets have been physically verified by the management during the year. In our opinion, the frequency of verification of the fixed assets by the management is reasonable having regard to the size of the company and the nature of its assets. No discrepancies were noticed on verification.
- c) Based on the audit procedure performed and according to the records of the company, the title deeds of all the immovable properties are held in the name of the company.
2. a) The inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable.
- b) The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of accounts.
3. Since the company has not granted any loans, secured or unsecured, clause (a), (b) & (c) of section (iii) of para 3 of the Order is not applicable.
4. Since the company does not have any loans, provisions of section 185 and 186 of the Companies Act, 2013 are not applicable.
5. Since the company has not accepted any deposits, section (v) of para 3 of the Order is not applicable.
6. We have broadly reviewed the accounts and records maintained by the company pursuant to the Companies (Cost Records and Audit) Rules, 2014 read with Companies (Cost Records and Audit) Amendment Rules, 2014 specified by the Central Government under section 148 of the Act, and are of the opinion that prima facie, the prescribed cost records have been 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.
- b) According to the information and explanations given to us, the details of disputed amount of various taxes are deposited by the Company as follows:

[Rs. in Lakhs]

Nature of the dues	Year	Demand	Tax Paid	Net Demand	Forum
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	
VAT	-	296.24	-	296.24	West Bengal Taxation Tribunal (WBTT)
CST	-	36.93	33	33.62	Commissioner (Appeal)

8. 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.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. However, the moneys were raised by way of term loans were applied for the purposes for which those were raised.
10. According to the information and explanations give to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. In our opinion and according to the information and explanations given to us, the Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company, as such section (xii) of para 3 of the Order is not applicable.
13. In our opinion and according to the information and explanations 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.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, as such section (xiii) of para 3 of the Order is not applicable.
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 (xiv) of para 3 of the Order is not applicable.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

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

**Rajesh Singhania**  
Partner  
Membership No. 52722  
UDIN : 21052722AAAAAZ3143

19A, Jawaharlal Nehru Road,  
Dated: 19th June, 2021  
Place: Kolkata



## 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 31<sup>st</sup> March 2021 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 31<sup>st</sup> March 2021, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Rajesh Singhania**  
Partner  
Membership No. 52722  
UDIN : 21052722AAAAAZ3143

19A, Jawaharlal Nehru Road,  
Dated: 19th June, 2021  
Place: Kolkata

**BALANCE SHEET** as at 31st March 2021

SL. NO.	Particulars	Note	(Rs. in Lakhs)	
			As at 31st March, 2021	As at 31st March, 2020
I.	<b>ASSETS</b>			
	<b>Non-Current Assets</b>			
	Property, Plant and Equipment	5	3,223.94	2,779.44
	Capital work-in-progress	5a	784.29	293.76
	Intangible assets	6	18.49	30.48
	<b>Financial Assets</b>			
	Investments	7	1,298.78	590.06
	Loans	8	63.23	67.03
	Current Tax Asset (Net)		125.08	172.02
			<b>5,513.81</b>	<b>3,932.79</b>
	<b>Current Assets</b>			
	Inventories	9	5,048.11	7,565.92
	<b>Financial Assets</b>			
	Investments	10	1,878.58	2,125.19
	Trade Receivables	11	4,730.37	2,143.87
	Cash and Cash Equivalents	12	339.72	519.52
	Other Bank Balances	13	2,669.25	9.71
	Loans	8	5.28	20.85
	Other Current Assets	14	2,750.92	2,330.82
			<b>17,422.23</b>	<b>14,715.87</b>
	<b>Total Assets</b>		<b>22,936.04</b>	<b>18,648.66</b>
II.	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	Equity Share Capital	15	624.00	624.00
	Other Equity	16	12,249.09	9,819.03
			<b>12,873.09</b>	<b>10,443.03</b>
	Deferred Tax Liability (Net)	22	4.75	35.58
	<b>Liabilities</b>			
	<b>Current Liabilities</b>			
	<b>Financial Liabilities</b>			
	Borrowings	17	5,329.87	3,235.48
	Trade Payables	18	3,549.62	3,331.05
	Other Financial Liabilities	19	366.21	404.16
	Other Current Liabilities	20	811.40	1,186.77
	<b>Provisions</b>	21	1.10	12.59
			<b>10,062.95</b>	<b>8,205.63</b>
	<b>Total Equity and Liabilities</b>		<b>22,936.04</b>	<b>18,648.66</b>

**Significant Accounting Policies**

3

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

As per our Report of even date.

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

**Rajesh Singhania**  
Partner  
Membership No. 52722

Date: 19<sup>th</sup> June, 2021  
Place: Kolkata

**For and on behalf of the Board**

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

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

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

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

**STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2021**

		(Rs. in Lakhs)		
SL NO.	Particulars	Note	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>INCOME</b>				
I	Revenue from operations	23	32,632.95	28,769.09
II	Other Income	24	307.90	45.86
III	<b>TOTAL INCOME</b>		<b>32,940.85</b>	<b>28,814.95</b>
<b>IV EXPENSES</b>				
	Cost of materials consumed	25	15,897.35	16,016.21
	Purchase of Traded Goods	26	4,323.92	1,858.91
	Changes in inventories of finished goods and work-in-progress	27	1,352.15	1295.53
	Employee Benefits Expense	28	1,014.98	980.26
	Finance Costs	29	157.86	256.23
	Depreciation and Amortization Expense		460.96	468.78
	Manufacturing and Other Operational Expenses	30	6,012.51	6,894.58
	Other Expenses	30(a)	316.55	328.18
	<b>TOTAL EXPENSES</b>		<b>29,536.28</b>	<b>26,507.62</b>
V	<b>Profit before exceptional and extraordinary items and tax</b>		<b>3,404.57</b>	<b>2,307.33</b>
	Exceptional & Extraordinary Items		-	152.99
	<b>Profit before tax</b>		<b>3,404.57</b>	<b>2,460.32</b>
VI	<b>Tax Expense</b>	35		
	Current Tax		876.55	587.93
	Tax for Previous Years		-	35.61
	Deferred Tax (Credit)/Charge		124.22	10.71
VII	<b>PROFIT FOR THE PERIOD</b>		<b>2,552.24</b>	<b>1,826.07</b>
<b>VIII OTHER COMPREHENSIVE INCOME</b>				
	Items that will be Reclassified to Profit or Loss		-	-
	Income Tax relating to items that will not be Reclassified to Profit or Loss		-	-
	Fair value of Investment / Exchange difference on transaction of foreign operations	32 (b)	135.79	23.80
	Income Tax relating to these items		14.62	16.00
	Items that will not be reclassified to profit or loss (Re-measurement of post employment benefit obligations)		31.80	119.09
	Income Tax relating to these items		18.00	4.80
			2.62	3.51
IX	<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>2,554.86</b>	<b>1,829.58</b>
<b>(Comprising Profit and Other Comprehensive Income for the Period)</b>				
X	<b>Earning per equity share of Rs.10 each (In Rs.)</b>	37		
	Cash		40.90	29.26
	Basic and Diluted		40.90	29.26

**Significant Accounting Policies**
**3**

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

As per our Report of even date.

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

**Rajesh Singhania**  
 Partner  
 Membership No. 52722

Date: 19th June, 2021  
 Place: Kolkata

**For and on behalf of the Board**

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

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

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

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

**CASH FLOW STATEMENT** for the year ended 31st March, 2021

Sl. No.	Particulars	(Rs. in Lakhs)	
		For the Year ended 31.03.2021	For the Year ended 31.03.2020
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>Net Profit before Taxation and Extraordinary Items</b>	<b>3,404.57</b>	<b>2,307.33</b>
	Adjustments For:		
	Depreciation and Amortisation Expense	460.96	468.78
	Balances Written Back (Net)	[27.66]	[2.42]
	Interest Income	[27.60]	[3.67]
	Extraordinary item	-	152.99
	Profit on sale of Property, Plant & Equipment (Net)/ Assets Written Off	[242.07]	-
	Reameasurement gain of DBO/DBP	2.63	3.51
	Finance Costs	157.86	256.23
	<b>Operating Profit before Working Capital Changes</b>	<b>3,728.69</b>	<b>3,182.75</b>
	Adjustments For:		
	(Increase)/Decrease in Trade and Other Receivables	[2,963.03]	2,885.81
	(Increase)/Decrease in Inventories	2,517.81	[797.60]
	Increase/(Decrease) in Trade and Other Payables and Provisions	[237.07]	[594.05]
	Cash Generated From Operations	<b>[682.29]</b>	<b>4,676.91</b>
	Direct Taxes Paid (Net of Refunds)	[829.61]	[634.25]
	<b>Net Cash from Operating Activities</b>	<b>2,216.79</b>	<b>4,042.66</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Profit on sale of Property, Plant & Equipment (Net)/ Assets Written Off	(1,384.00)	(538.23)
	Purchase of Property, Plant and Equipments (Including Capital Work-in-Progress and Advances)	[462.11]	[1,580.34]
	Purchases/Proceeds from sale of Investments	27.66	2.42
	Profit on Sale of Investment	242.07	-
	Interest Income	27.60	[1,548.78]
	<b>Net Cash from/ (Used in) Investing Activities</b>	<b>[1,548.78]</b>	<b>[2,112.48]</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds/(Repayment) of Short Term Borrowings(net)	2,094.39	(1,293.91)
	Interest and Financial Charges Paid	[157.86]	[256.23]
	Dividend and Tax paid thereon (Interim, special and Final)	[124.80]	[150.45]
	<b>Net Cash from/ (Used in) Financing Activities</b>	<b>1,811.73</b>	<b>[1,700.59]</b>
	<b>Net Increase/(Decrease) in cash or cash equivalents (A+B+C)</b>	<b>2,479.74</b>	<b>229.59</b>
	<b>Cash or Cash equivalents at the beginning of the year</b>	<b>529.23</b>	<b>299.64</b>
	<b>Cash or Cash equivalents at the end of the year</b>	<b>3,008.97</b>	<b>529.23</b>

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 31.3.20	Principal	Proceeds/(Repayment)	Fair Value Changes	Forex Changes	As at 31.03.2021
Short Term Borrowings	3,235.48	-	2,094.39	-	-	5,329.87
Long term Borrowings	-	-	-	-	-	-

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 Ind AS-7 'Statement of Cash Flows'.

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

Particulars	As at 31.03.2021	As at 31.03.2020
Balances with Banks	2,669.25	9.71
Cash in Hand	339.72	519.52
<b>Total</b>	<b>3,008.97</b>	<b>529.23</b>

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

**Rajesh Singhania**  
Partner  
Membership No. 52722

Date: 19th June, 2021  
Place: Kolkata

**For and on behalf of the Board**

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

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

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

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

## STATEMENT OF CHANGES IN EQUITY for the year ended 31st March, 2021

### A. EQUITY SHARE CAPITAL

Particulars	(Rs. in Lakhs)	
	Numbers	Amount
Equity Shares of Rs. 10 each, issued, subscribed and fully paid-up		
As at 31.03.2021	6,240,000	624.00
As at 31.03.2020	6,240,000	624.00

### B. OTHER EQUITY

For the year ended 31st March, 2021

(Rs. in Lakhs)

Particulars	Reserves and Surplus				
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Total
<b>Opening Balance as at 01.04.2020</b>	<b>401.49</b>	<b>511.00</b>	<b>8,725.00</b>	<b>181.54</b>	<b>9,819.03</b>
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)
<b>Closing Balance as at 31.03.2021</b>	<b>401.49</b>	<b>511.00</b>	<b>11,225.00</b>	<b>111.60</b>	<b>12,249.09</b>

For the year ended 31st March, 2020

(Rs. in Lakhs)

Particulars	Reserves and Surplus				
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Total
<b>Opening Balance as at 01.04.2019</b>	<b>401.49</b>	<b>511.00</b>	<b>7,125.00</b>	<b>102.41</b>	<b>8,139.90</b>
Profit for the current year	-	-	-	1,826.07	1,826.07
Comprehensive Income for the year	-	-	-	3.51	3.51
Total Comprehensive Income for the year	-	-	-	1,829.58	1,829.58
Transfer to/(from) Retained Earnings	-	-	1,600.00	(1,600.00)	-
Dividend Paid	-	-	-	(124.80)	(124.80)
Dividend Tax Paid	-	-	-	(25.65)	(25.65)
<b>Closing Balance as at 31.03.2020</b>	<b>401.49</b>	<b>511.00</b>	<b>8,725.00</b>	<b>181.54</b>	<b>9,819.03</b>

As per our Report of even date.

For S. K. Singhania & Co.

Chartered Accountants

Firm Registration No. 302206E

Rajesh Singhania

Partner

Membership No. 52722

Date: 19th June, 2021

Place: Kolkata

For and on behalf of the Board

A.K.Mall

Chairman & Managing Director

(DIN : 00470184)

S.S.Agrawal

Chief Financial Officer

G.K.Mall

Director

(DIN : 01043022)

S. Purakayastha

Company Secretary

(ACS : 42302)

**Notes to Financial Statements for the year ended March 31, 2021**

**1. Corporate Information**

Mallcom (India) Limited ("the Company") is a public limited company domiciled in India and is incorporated in the year 1983 under Companies Act applicable in India. Its shares are listed on one recognized stock exchanges in India. The registered office of the company is located at EN-12, Sector-V, Salt Lake, Kolkata- 700091, India. The company is one of the established manufacturers – exporter of Personal Protective Equipments. It has a long track record in the Industrial Safety Products

**c a t e g o r y .**  
These financial statements are approved and adopted by the Board Of Directors of the Company in their meeting dated 19th June 2021

**2. Recent accounting pronouncements**

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying new standards and amendments to certain issued standards. These amendments became applicable to the Company from 1st April, 2019.

- a) Ind AS 116, Leases: Ind AS 116 supersedes Ind AS 17, Leases. Under Ind AS 116, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right of use asset) at the commencement date of lease. Lessees will be required to separately recognise interest expense on the lease liability and depreciation expense on the right of use asset. Lessor accounting under Ind AS 116 remains substantially unchanged from accounting under Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019.
- b) Endments of Ind AS 19, Employee Benefit : On March 31st 2019 , Ministry of Corporate Affairs have issued Amendments to Ind As 19, 'Employee Benefits'. The amendments clarifies the accounting for defined benefit plans on plan amendments , curtailment and settlement and specifies how companies should determine pension expenses when changes to defined benefit plan occurs . The amendments requires company to use the updated assumption from rremeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan.
- c) Appendix C clarifies how to apply the recognition and measurement principles while recognizing current tax, deferred tax, taxable profits (losses), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over tax treatments under Ind AS 12. As per the Appendix, the Company needs to assess whether it is probable that a tax authority will accept an uncertain tax treatment used or a treatment which is being proposed to be used in its income tax filings.

- d) Amendment to Ind AS 12, Income Taxes: The amendment clarifies that an entity shall recognize income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

- e) Amendments to Ind As 103 Business Combination : The amendment to Ind AS 103 Business Combination clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all the inputs and processes needed to create outputs.

These amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the 1st April 2020 and to asset acquisitions that occur on or after the beginning of that period. This amendment had no impact on the Standalone Ind financial statements of the Company.

- f) Amendments to Ind AS 1 and Ind As 8: Definition of Material : The amendments provide a new definition of material clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatements of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the Standalone Ind AS financial statements of, nor if there expected to be any further impact to the Company.

These amendments are applicable prospectively for annual periods beginning on or after the 1st April 2020.

**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.

**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 realised 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 liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. Based on the nature of product and time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has identified twelve months as its operating cycle

### 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.

### 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. 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.

### **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 recognised immediately in the Statement of Profit and Loss.

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

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

#### **i) Cash & Cash equivalents**

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

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

Financial Assets held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortised cost.

The above Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (EIR) method.

The effective interest rate is the rate that discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs



and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

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

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

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

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

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

**vi) Derivative and Hedge Accounting**

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

Any derivative that is either not designated as a hedge, or is so designated but is ineffective as per Ind AS 109 "Financial Instruments", is categorised as a financial asset, at fair value through profit or loss. Transaction costs attributable are also recognised in Statement of profit and loss. Changes in the fair value of the derivative hedging instrument designated as a fair value hedge are recognised in the Statement of profit and loss.

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised in other comprehensive income and presented within equity as cash flow hedging reserve to the extent that the hedge is effective.

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

**vii) Impairment of financial assets**

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

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

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

**viii) Derecognition of financial instruments**

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

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

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

Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognized in Statement of Profit and Loss.

**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-term 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 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.

### 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.

### 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 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 reassessed 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.

### 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 the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognised in the year in which the results are known / materialised and, if material, their effects are disclosed in the notes to the financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the financial statements have been disclosed below. The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

##### **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 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.

**NOTE 5: PROPERTY, PLANT AND EQUIPMENT**

(Rs. in Lakhs)

Sl. NO.	Particulars	GROSS BLOCK				DEPRECIATION/AMORTIZATION				NET BLOCK
		Opening as at 01.04.2020	Additions During the year	Deductions/ Adjustments During the year	As at 31.03.2021	Opening as at 01.04.2020	Provisions During the Year	Deductions/ Adjustments During the year	Up to 31.03.2021	As at 31.03.2021
<b>(i)</b>	<b>Tangible Assets:</b>									
1	Free Hold Land	459.52	-	-	459.52	-	-	-	-	459.52
2	Buildings	1,124.69	49.43	-	1,174.12	350.87	75.87	-	426.74	747.38
3	Plant and Equipment	2,384.63	761.13	-	3,145.76	1,070.88	303.57	-	1,374.45	1,771.31
4	Electrical Installation	177.33	7.22	-	184.55	91.75	23.30	-	115.05	69.50
5	Mould & Dies	130.63	0.54	-	131.17	47.94	15.08	-	63.02	68.15
6	Furniture & Fixtures	75.61	49.73	-	125.34	44.01	9.60	-	53.61	71.73
7	Vehicles	52.02	-	-	52.02	37.15	4.65	-	41.80	10.22
8	Office Equipments	24.02	1.54	-	25.56	14.20	4.70	-	18.90	6.66
9	Computer Software	41.16	23.91	-	65.07	33.37	12.23	-	45.60	19.47
	<b>Total</b>	<b>4,469.61</b>	<b>893.50</b>	<b>-</b>	<b>5,363.11</b>	<b>1,690.17</b>	<b>449.00</b>	<b>-</b>	<b>2,139.17</b>	<b>3,223.94</b>

**NOTE 5a: CAPITAL WORK IN PROGRESS**

(Rs. in Lakhs)

Sl. NO.	Particulars	COST				AMORTIZATION				NET CARRYING AMOUNT
		Opening as at 01.04.2020	Additions During the year	Deductions/ Adjustments During the year	As at 31.03.2021	Opening as at 01.04.2020	Provisions During the Year	Deductions/ Adjustments During the year	Up to 31.03.2021	As at 31.03.2021
1	Plant & Equipment	19.00	1.26	19.00	1.26	-	-	-	-	1.26
2	Factory Godown	260.91	22.03	-	282.94	-	-	-	-	282.94
3	Factory Building	-	500.09	-	500.09	-	-	-	-	500.09
4	Electrical Installations	8.05	-	8.05	-	-	-	-	-	-
5	Computer Software	5.80	-	5.80	-	-	-	-	-	-
	<b>SUB Total (C)</b>	<b>293.76</b>	<b>523.38</b>	<b>32.85</b>	<b>784.29</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>784.29</b>

**NOTE 6: INTANGIBLE ASSETS**

(Rs. in Lakhs)

Sl. NO.	Particulars	COST				AMORTIZATION				NET CARRYING AMOUNT
		Opening as at 01.04.2020	Additions During the year	Deductions/ Adjustments During the year	As at 31.03.2021	Opening as at 01.04.2020	Provisions During the Year	Deductions/ Adjustments During the year	Up to 31.03.2021	As at 31.03.2021
<b>(ii)</b>	<b>Intangible Assets:</b>									
1	Computer License	84.86	-	-	84.86	56.49	11.15	-	67.64	17.22
2	Patent Right	10.06	-	-	10.06	7.94	0.83	-	8.77	1.28
	<b>Total</b>	<b>94.92</b>	<b>-</b>	<b>-</b>	<b>94.92</b>	<b>64.43</b>	<b>11.98</b>	<b>-</b>	<b>76.41</b>	<b>18.49</b>

**NOTE 7: NON-CURRENT INVESTMENTS**

(Rs. in Lakhs)

Sl. NO.	Particulars	Face Value (In Rs.)	As at 31.03.2021		As at 31.03.2020	
			No.	Amount	No.	Amount
1	<b>UNQUOTED</b> <b>Subsidiary Company Fully Paid Equity Shares</b> Best Safety Private Limited Mallcom VSFT Gloves Pvt. Ltd. Mallcom Safety Pvt. Ltd.	10 10 10	2,320,350 4,894,000 1,500,100	533.68 490.00 275.04	- 4,894,000 1,000,000	- 490.00 100.00
	<b>Total</b>			<b>1,298.72</b>		<b>590.00</b>
2	<b>Other Instruments</b> Investment in Government or Trust Securities [NSC Placed with Vat Authorities]			0.06		0.06
	<b>Total</b>		-	<b>1,298.78</b>	-	<b>590.06</b>

**NOTE 8: FINANCIAL ASSETS- LOANS**

Rs. in Lakhs)

Sl. NO.	Particulars	Non-Current		Current	
		As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
1	(Unsecured and Considered Good) Loans and Advances to Staff and Workers	-	-	5.28	20.85
2	Security Deposits	63.23	67.03	-	-
	<b>Total</b>	<b>63.23</b>	<b>67.03</b>	<b>5.28</b>	<b>20.85</b>

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

Rs. in Lakhs)

Sl. NO.	Particulars	As at 31.03.2021	As at 31.03.2020
1	Raw Materials [Includes in transit Rs.208.07 Lakhs (As at 31.03.2020 Rs.479.38 Lakhs)]	3,005.86	4,115.94
2	Work-in-Progress	497.37	1,005.20
3	Finished Goods	595.26	1,183.86
4	Stores & Spares	949.61	1,260.92
	<b>Total</b>	<b>5,048.10</b>	<b>7,565.92</b>

**NOTE 10 : CURRENT INVESTMENTS**

(Rs. in Lakhs)

Sl. NO.	Particulars	Face Value (In Rs.)	As at 31.03.2021		As at 31.03.2020	
			Unit	Amount	Unit	Amount
1	<b>Investments at Amortised Cost</b>					
	<b>QUOTED</b>					
	<b>Bonds</b>					
	Edelweiss Capital Limited , NCD	-	-	-	500	299.61
2	<b>Investment in Mutual Fund [Debt]</b>					
	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	0.00	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	-	-
	L&T Triple Ace Bond Fund -Direct -Growth	10.00	-	-	5,61,200	310.16
	L&T Banking & PSU Bond Fund-Direct-Growth	10.00	-	-	16,43,232	305.08
	L&T Short Term Fund-Direct -Growth	10.00	-	-	14,69,649	295.93
	L&T Money Market Fund-Direct-Growth	10.00	-	-	14,86,061	303.99
	Nippon India Banking & PSU Bond Fund-Direct -Growth	10.00	-	-	40,53,205	610.42
				1,878.58		2,125.19
	<b>Total</b>			<b>1,878.58</b>		<b>2,125.19</b>

**10.1 AGGREGATE CARRYING AMOUNT AND MARKET VALUE OF QUOTED INVESTMENTS**

(Rs. in Lakhs)

Particulars	As at 31.03.2021		As at 31.03.2020	
	Aggregate Carrying Amount	Market Value	Aggregate Carrying Amount	Market Value
<b>Quoted Investments:</b>				
In Bonds and Units of Mutual Funds	1,878.58	1,878.58	2,125.19	2,125.19
<b>Total</b>	<b>1,878.58</b>	<b>1,878.58</b>	<b>2,125.19</b>	<b>2,125.19</b>

**NOTE 11: TRADE RECEIVABLES**

(Rs. in Lakhs)

Sl. NO.	Particulars	Current	
		As at 31.03.2021	As at 31.03.2020
1	Secured, Considered Good	-	-
2	<b>Unsecured</b>		
	Considered Good	4,730.37	2,143.87
	Considered Doubtful	-	-
	<b>Total</b>	<b>4,730.37</b>	<b>2,143.87</b>

**NOTE 11.1: Ageing of Trade Receivable**

(Rs. in Lakhs)

Sl. NO.	Particulars	As at 31.03.2021	As at 31.03.2020
	Within the credit period	4,730.37	2,143.87
	1-180 days past due	-	-
	More than 180 days past due	-	-
	<b>Total</b>	<b>4,730.37</b>	<b>2,143.87</b>

**NOTE 12: CASH AND CASH EQUIVALENTS**

[Rs. in Lakhs]

Sl. NO.	Particulars	As at 31.03.2021	As at 31.03.2020
1	Balance with Banks	326.43	508.09
2	Cash in Hand	13.29	11.43
	<b>Total</b>	<b>339.72</b>	<b>519.52</b>

**NOTE 13 : OTHER BANK BALANCES**

[Rs. in Lakhs]

Sl. NO.	Particulars	As at 31.03.2021	As at 31.03.2020
1	Fixed Deposits (Including margin money)	2,669.25	9.71
	<b>Total</b>	<b>2,669.25</b>	<b>9.71</b>

**NOTE 14 : OTHER CURRENT ASSETS**

[Rs. in Lakhs]

Sl. NO.	Particulars	As at 31.03.2021	As at 31.03.2020
	(Unsecured and Considered Good)		
1	Advances to Suppliers and Contractors	868.96	731.88
2	Prepaid Expenses	15.45	17.44
3	Balance with Revenue Authorities (Indirect Taxes)	1,866.51	1,581.50
	<b>Total</b>	<b>2,750.92</b>	<b>2,330.82</b>

**NOTE 15 : SHARE CAPITAL**

[Rs. in Lakhs]

Sl. NO.	Particulars	As at 31.03.2021	As at 31.03.2020
1	<b>AUTHORIZED CAPITAL</b> 1,00,00,000 Equity Shares of Rs. 10/- each	1,000.00	1,000.00
		<b>1,000.00</b>	<b>1,000.00</b>
2	<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b> 62,40,000 (62,40,000) Equity Shares of Rs. 10/- each fully paid-up	624.00	624.00
	<b>Total</b>	<b>624.00</b>	<b>624.00</b>

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

Sl. No.	Name of Shareholders	No. of Shares Held as at 31.03.2021	% of Total paid-up Equity Share Capital	No. of Shares Held as at 31.03.2020	% of Total paid-up Equity Share Capital
1	AJAY KUMAR MALL	10,25,320	16.43	10,25,320	16.43
2	KADAMBINI SECURITIES PRIVATE LIMITED,	22,04,606	35.33	21,89,606	35.09
3	JAY KUMAR DAGA	12,64,402	20.26	12,98,494	20.81
4	MALLCOM HOLDINGS PRIVATE LIMITED	6,13,600	9.83	6,13,600	9.83



- 15.2 The company has only one class of equity shares having a par value of Rs.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 31.03.2021	As at 31.03.2020
Nil	Nil

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

#### 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

[Rs. in Lakhs]

Sl. NO.	Particulars	As at 31.03.2021	As at 31.03.2020
1	<b>Secured</b>		
	<b>Loan Repayable on Demand</b>		
	From Bank		
	Export Packing Credit	5,329.87	3,147.66
	Packing Credit Foreign Currency Loan	-	87.82
	<b>Total</b>	<b>5,329.87</b>	<b>3,235.48</b>

- 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**

[Rs. in Lakhs]

Sl. NO.	Particulars	As at 31.03.2021	As at 31.03.2020
1	For Supplying of Goods	2,235.61	2,751.64
2	For Supplying of Services	1,314.01	579.41
	<b>Total</b>	<b>3,549.62</b>	<b>3,331.05</b>

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.

**NOTE 19 : FINANCIAL LIABILITIES- OTHERS**

[Rs. in Lakhs]

Sl. NO.	Particulars	As at 31.03.2021	As at 31.03.2020
1	Security Deposits from Customers, Vendors & Others	366.21	404.16
	<b>Total</b>	<b>366.21</b>	<b>404.16</b>

**NOTE 20 : OTHER CURRENT LIABILITIES**

[Rs. in Lakhs]

Sl. NO.	Particulars	As at 31.03.2021	As at 31.03.2020
1	Customer Advances	782.48	1,148.80
2	Statutory Liabilities	28.92	37.97
	<b>Total</b>	<b>811.40</b>	<b>1,186.77</b>

**NOTE 21: PROVISIONS**

[Rs. in Lakhs]

Sl. NO.	Particulars	As at 31.03.2021	As at 31.03.2020
1	<b>Provision for Employee Benefits</b>		
	Gratuity	1.10	12.59
	<b>Total</b>	<b>1.10</b>	<b>12.59</b>

**NOTE 22: DEFERRED TAX ASSETS (NET)**

[ Rs. in Lakhs]

Sl. NO.	Particulars	As at 31.03.2021	As at 31.03.2020
1	<b>Deferred Tax Assets:</b> Arising on account of: Expenses allowed for tax purpose when paid	(21.32)	(21.90)
2	<b>Deferred Tax Liabilities:</b> Arising on account of: Depreciation and Amortization	16.57	(13.68)
	<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>(4.75)</b>	<b>(35.58)</b>

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 Com- prehensive Income	As at 31.03.2021
<b>Deferred Tax Assets:</b>				
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)	-	-
<b>Total Deferred Tax</b>	(21.90)	(6.03)	6.61	(21.32)
<b>Deferred Tax Liabilities:</b>				
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
	-	-	-	-
<b>Total Deferred Tax Assets</b>	(13.68)	30.25	-	16.57
<b>Net Deferred Tax Assets/ (Liabilities)</b>	<b>(35.58)</b>	<b>24.22</b>	<b>6.61</b>	<b>(4.75)</b>

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

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

**NOTE 23: REVENUE FROM OPERATIONS**

[Rs. in Lakhs]

Sl. NO.	Particulars	As at 31.03.2021	As at 31.03.2020
1	<b>Sale of Manufactured Goods</b>		
	Leather Gloves	4,673.07	4,614.64
	Textile Garments	9,035.71	8,490.65
	Nitrile Dipped Gloves	3,525.45	2,108.62
	Safety shoes	8,394.12	9,425.37
	Shoe Upper	521.36	601.73
	Knitted Gloves	490.70	128.64
	Helmet/Facemask/Eye Protection	785.31	60.67
		27,425.72	25,430.32
2	<b>Sale of Traded Goods</b>		
	Leather Gloves	1,971.47	166.27
	Textile Garments	70.85	278.68
	Nitrile Dipped Gloves	545.38	322.47
	Safety shoes	1,482.51	1,396.03
	Helmet/Facemask/Eye Protection	259.81	33.06
		4,330.02	2,196.51
3	Job Work Charges	4.74	-
4	Foreign Exchange Gain	121.64	164.38
5	Export Incentives	750.83	977.88
		877.21	1,142.26
	<b>Total</b>	<b>32,632.95</b>	<b>28,769.09</b>

**NOTE 24: OTHER INCOME**

[Rs. in Lakhs]

Sl. NO.	Particulars	As at 31.03.2021	As at 31.03.2020
1	Interest Income	27.60	3.67
2	Profit on sale of Fixed asset	1.75	-
3	Profit on sale of Investment	240.32	27.21
4	Balances Written Back	27.66	2.42
5	Other Non Operating Income	10.57	12.55
	<b>Total</b>	<b>307.90</b>	<b>45.86</b>

**NOTE 25: COST OF MATERIALS CONSUMED**
**(Rs. in Lakhs)**

Sl. NO.	Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
a)	<b>Opening Stock</b>	5,121.14	4,619.07
	<b>PURCHASES OF RAW MATERIALS AND STORES</b>		
1	Raw Materials (Including Carriage Inward)	12,440.82	14,224.38
2	Stores and Spares	1,501.31	1,584.34
3	Packing Materials	789.56	709.56
	<b>Sub-Total</b>	<b>14,731.69</b>	<b>16,518.28</b>
	<b>Closing Stock</b>	3,955.48	5,121.14
	<b>Cost of Materials Consumed</b>	<b>15,897.35</b>	<b>16,016.21</b>
	<b>Total</b>	<b>15,897.35</b>	<b>16,016.21</b>

**NOTE 26: PURCHASE OF TRADED GOODS**
**(Rs. in Lakhs)**

Sl. NO.	Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
1	Safety Shoes	1,416.22	1,321.11
2	Nitrile Dipped Gloves	879.17	209.32
3	Leather Gloves	1,830.65	104.63
4	Textile Garments	44.87	194.16
5	Others	153.01	29.69
	<b>Total</b>	<b>4,323.92</b>	<b>1,858.91</b>

**NOTE 27: CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS**
**(Rs. in Lakhs)**

Sl. NO.	Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
1	<b>Closing stock</b>		
	Work-in-Progress	497.37	1,183.86
	Finished Goods	595.26	1,260.92
		<b>1,092.63</b>	<b>2,444.78</b>
2	<b>Opening stock</b>		
	Work-in-Progress	1,183.86	1,340.50
	Finished Goods	1,260.92	808.74
		<b>2,444.78</b>	<b>2,149.24</b>
3	<b>(Increase)/Decrease</b>	<b>1,352.15</b>	<b>(295.53)</b>

[Rs. in Lakhs]

Sl. NO.	Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
1	<b>Finished Goods</b>		
	Leather Gloves	196.35	310.59
	Textile Garments	17.31	148.50
	Nitrile Dipped Gloves	233.03	140.58
	Safety Shoes	79.69	365.89
	Shoe Upper	14.65	95.39
	Knitted Gloves	20.98	41.35
	Leather	-	76.88
	Helmets	1.03	21.67
	Personal Protective Equipments (Others)	32.22	60.06
		<b>595.26</b>	<b>1,260.91</b>
2	<b>Work-in-progress</b>		
	Leather Gloves	35.58	103.95
	Textile Garments	253.49	418.83
	Knitted Gloves	-	2.98
	Safety Shoes	186.49	562.86
	Shoe Uppers	21.80	95.24
		<b>497.36</b>	<b>1,183.86</b>

**NOTE 28 : EMPLOYEE BENEFIT EXPENSES**

[Rs. in Lakhs]

Sl. NO.	Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
1	Salaries, Wages and Bonus	898.33	906.60
2	Contribution to Provident and Other Funds (Refer Note 32)	93.46	88.08
3	Leave Encashment	-	(34.63)
4	Staff Welfare Expenses	23.19	20.21
	<b>Total</b>	<b>1,014.98</b>	<b>980.25</b>

**NOTE 29 : FINANCE COSTS**

[Rs. in Lakhs]

Sl. NO.	Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
1	Interest Expenses	110.32	189.34
2	Bank and Finance Charges	47.54	66.89
	<b>Total</b>	<b>157.86</b>	<b>256.23</b>

**NOTE 30 : MANUFACTURING AND OTHER OPERATIONAL EXPENSES**

[ Rs. in Lakhs]

Sl. NO.	Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
1	Fabrication & Processing Charges	4,479.87	5,335.58
2	Factory Maintenance	112.35	80.05
3	Freight- Export	245.44	122.56
4	Terminal Handling Charges - Export	41.06	60.21
5	Clearing & Forwarding expenses	154.69	93.33
6	Insurance	16.46	25.40
7	Carriage Outward	372.36	315.67
8	Sales Promotion Expenses	110.17	318.26
9	Trade Fair Expenses	0.96	27.43
10	Sales Commission	3.79	19.08
11	Other Selling Expenses	115.72	142.31
12	Power and Fuel	223.87	214.81
13	Repairs to Building	30.16	4.66
14	Repairs to Plant and Machinery	57.69	87.14
15	Security Charges	47.92	48.09
	<b>TOTAL</b>	<b>6,012.51</b>	<b>6,894.59</b>

**NOTE 30 (a) : OTHER EXPENSES**

[ Rs. in Lakhs]

Sl. NO.	Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
1	Rent	33.66	22.96
2	Rates and Taxes	12.38	8.44
3	Travelling & Conveyance	8.62	8.98
4	Directors' Sitting Fees	4.42	1.72
5	Loss on sale of Fixed Assets	-	0.33
6	Postage, Telephone & Telex	12.94	12.67
7	Printing & Stationery	10.39	16.27
8	Filing Fees	0.27	0.49
9	Legal & Professional Fees	20.59	54.69
10	Membership & Subscription	4.20	8.79
11	Payment to Auditors (refer details below)	6.77	6.77
12	Miscellaneous Expenses	202.31	183.99
13	Irrecoverable Receivables Written Off	-	2.09
	<b>Total</b>	<b>316.55</b>	<b>328.18</b>
	<b>Payment to Auditor</b>		
	<b>As Auditor:</b>		
	Audit Fee	3.75	3.75
	Tax Audit Fee	0.50	0.50
	Certification Charges	0.80	0.80
	Other Services	1.72	1.72
	<b>Total</b>	<b>6.77</b>	<b>6.77</b>

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

[Rs. in Lakhs]

a) Contingent Liabilities	As at 31.03.2021	As at 31.03.2020
Export bills duly discounted/negotiated under LC and for which acceptance already received and/or moved to bank line (previous years figures relates to Bill drawn under LC only)	-	158.60
Outstanding Bank guarantee issued by SBI and CITI Bank	21.99	22.41
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.	250.00	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
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	107.80	86.21
Service Tax Demand in respect of earlier years which has been disputed by the company	-	29.50
Corporate guarantee given to Bank for extending fund based credit limit to subsidiary and group companies	1300	300

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

Particulars	As at 31.03.2021	As at 31.03.2020
USD	18,91,308.43	23,71,828.18
EURO	33,51,862.03	24,28,332.45

**NOTE 32: EMPLOYEE BENEFITS (REFER NOTE 28)**

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

[Rs. in Lakhs]

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Providend Fund	55.15	55.52
ESIC	19.80	19.98
<b>Total</b>	<b>74.95</b>	<b>75.50</b>

**(b) Defined Benefit Plan**

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



**Disclosure for defined benefit plans based on actuarial reports:**
**(Rs. in Lakhs)**

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>Changes in Defined Benefit Obligations:</b>		
Present value of defined benefit obligation at the beginning of the year	129.09	107.54
Current Service Cost	10.87	11.30
Interest Cost	9.03	7.26
Remeasurements (gains)/losses	[17.41]	6.18
Benefits paid	[4.23]	[3.18]
<b>Present value of defined benefit obligation at the end of the year</b>	<b>127.35</b>	<b>129.10</b>
<b>Change in Plan Assets:</b>		
Fair value of plan assets at the beginning of the year	87.15	88.44
Expected Return on Plan Assets	6.10	5.97
Remeasurements (gains)/losses	24.64	[12.92]
Contributions	12.59	8.85
Benefits paid	[4.23]	[3.18]
<b>Fair value of plan assets at the end of the year</b>	<b>126.25</b>	<b>87.16</b>
<b>Fair Value of Planned Assets:</b>		
Fair value of plan assets at the beginning of the year	87.15	88.44
Actual Return on plan assets	30.74	[6.95]
Contributions	12.59	8.85
Benefits paid	[4.23]	[3.18]
<b>Fair value of plan assets at the end of the year</b>	<b>126.25</b>	<b>87.16</b>
<b>Actuarial (Gain)/Loss on Planned Assets:</b>		
Actual Return on plan assets	30.74	[6.95]
Expected Return on Plan Assets	6.10	[5.97]
<b>Actuarial (Gain)/Loss</b>	<b>24.64</b>	<b>[12.92]</b>
<b>Actuarial (Gain)/Loss recognized:</b>		
Actuarial (gain)/loss- obligation	[17.41]	[6.18]
Actuarial (gain)/loss- plan assets	[24.64]	[12.92]
Total Actuarial (Gain)/Loss	[42.05]	[19.09]
<b>Actuarial (Gain)/Loss recognized</b>	<b>[42.05]</b>	<b>[19.09]</b>
<b>Outstanding actuarial (gain)/loss at the end of the year</b>		-
<b>Experience adjustment:</b>		
Experience Adjustment (Gain)/Loss for Plan Liabilities	15.19	2.07
Experience Adjustment (Gain)/Loss for Plan Assets	[24.64]	12.92
<b>Summary of membership data at the date of valuation and statistics based thereon:</b>		
Number of employees	372	365
Total monthly salary	27.28	27.23
Average Past Service(Years)	9.10	8.50
Average Future Service(Years)	20.10	20.60
Average Age(Years)	39.90	39.40
Weighted average duration (based on discounted cash flows) in years	13	13
Average Monthly Salary	7,332	7,460
<b>Expenses Recognized in the statement of Profit and Loss</b>		
Current Service Cost	10.87	11.30
Interest Cost	9.03	7.26
Expected Return on Plan Assets	[6.10]	[5.97]
Past Service Cost	-	-
<b>Expenses Recognized in the statement of Profit and Loss</b>	<b>13.80</b>	<b>12.59</b>

[Rs. in Lakhs]

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>Expenses Recognized in Other Comprehensive Income (OCI)</b>		
Actuarial (gains)/losses arising from changes in financial assumptions	1.10	41.93
<b>Total recognized in Other Comprehensive Income</b>	<b>1.10</b>	<b>41.93</b>
<b>Total recognized in Total Comprehensive Income</b>	<b>14.90</b>	<b>54.52</b>
<b>Amount recognized in the Balance Sheet consists of</b>		
Present Value of Defined Benefit Obligation	127.35	129.09
Fair Value of Plan Assets	126.25	87.16
Net Liability	1.10	41.93
<b>The Major Categories of Plan Assets as a % of Total Plan</b>		
Qualifying Insurance Policy	100%	100%

**The Principal actuarial assumption used:**

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Discount Rate	7.00% per annum	6.75% per annum
Salary Growth Rate	5.00% per annum	5.00% per annum
Mortality Rate	IALM2012-14 Ultimate	IALM 2006-08 Ultimate
Expected Rate Of Return	7.75% per annum	7.75% per annum
Withdrawal Rate (Per Annum)	6.95% p.a	6.95% p.a

The estimates of future salary increases have been considered in actuarial after taking into consideration the impact of inflation, Seniority, promotion and other relevant factors such as supply and demand situation in the employment market. 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 Allowance and Perquisites)
Vesting Period	5 Years of Service	5 Years of Service
Benefits of Normal Retirement	15/26*Salary Number of Completed Years of Service	15/26*Salary Number of Completed Years of Service
Benefit on early exit due to death and disability	As above except that no vesting conditions apply	As above except that no vesting conditions apply
Limit	2,000,000.00	2,000,000.00

**Current Liability:**

Particulars	2020-2021	2019-20
Current Liability	28.71	29.09
Non Current Liability	98.64	78.46
Total Liability	127.35	107.55

\* Because of Overfunding

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

**Sensitivity Analysis:**

Assumptions Sensitivity Level	Discount Rate		Salary Growth Rate		Withdrawal Rate	
	1.0% Increase	1.0% Decrease	1.0% Increase	1.0% Decrease	1.0% Increase	1.0% Decrease
Impact on Defined Benefit Obligation (Rs. in Lakhs)	119.49	136.29	136.38	119.28	128.33	126.25

The company expects to contribute Rs. 13.81 Lakhs (Previous Year Rs. 12.59 lakhs) to gratuity fund.

The weighted average duration of the defined benefit obligation as at 31.03.2021 is 11 years ( as at 31.03.2020: 13 years).

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

Particulars	(Rs. in Lakhs)
01 st April 2021 to 31 st March 2022	28.71
01 st April 2022 to 31 st March 2023	4.67
01 st April 2023 to 31 st March 2024	4.01
01 st April 2024 to 31 st March 2025	9.15
01 st April 2025 to 31 st March 2026	4.91
01 st April 2026 Onwards	75.88

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

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

Particulars	[Rs. in Lakhs]	
	As at 31.03.2021	As at 31.03.2020
Plan assets at the year end, at fair value	126.25	(69.34)
Present value of defined obligation at year end	(127.35)	88.44
Net liability/(asset) recognized in the Balance Sheet	(1.10)	19.10

**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:

Particulars	[Rs. in Lakhs]	
	For the Year ended 31.03.2021	For the Year ended 31.03.2020
Segment Revenue from Operations:		
Outside India	22,214.18	18,964.22
Within India	10,418.77	9,804.87
<b>Total</b>	<b>32,632.95</b>	<b>28,769.09</b>

Particulars	[Rs. in Lakhs]	
	For the Year ended 31.03.2021	For the Year ended 31.03.2020
Trade Receivables:		
Outside India	4,427.42	1,940.37
Within India	208.75	203.50
<b>Total</b>	<b>4636.17</b>	<b>2,143.87</b>

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

**NOTE 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. [VSFT] iii) Best Safety Pvt. Ltd. [BSPL]
b) Group Companies	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]
c) Key Managerial Personnel	i) Mr. Ajay Kumar Mall [Managing Director] ii) Shyam Sundar Agrawal (CFO) iii) Shuvanki Purakayastha (CS)
d) Relatives of Key Managerial Personnel	i) Mr. Sanjay Kumar Mall ii) Mrs. Sunita Mall iii) Mr. Giriraj Mall iv) Mr. Rohit Mall v) Mrs. Kiran Devi Mall vi) Mrs. Preeti Mall vii) Mrs. Surabhi Mall

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

(Rs. 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)	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Sale of goods & services	1,006.25	9.25	43.84	774.80	-	-	-	-
Purchase of goods & services	1,857.39	-	3.59	2,994.62	-	-	-	-
Job Work Charges paid	844.65	855.06	738.83	-	-	-	-	-
Advance Payable	-	-	366.21	-	-	-	-	-
Advance Given	10.43	56.03	10.61	-	-	-	-	-
Unsecured Loan & Advance Taken	-	-	-	-	-	-	-	-
Unsecured Loan & Advance Repaid	-	-	-	-	-	-	-	-
Security Deposit Receivable	-	-	-	306.38	-	-	-	-
Unsecured Loan & Advances Receivable	-	-	-	-	-	-	-	-
Remuneration **	-	-	-	-	56.81	56.81	-	10.20
Dividend Paid	-	-	75.07	75.07	20.51	20.51	6.75	6.75
Rent Paid	-	-	54.00	54.00	-	-	-	-
Reimbursement of expenses	-	-	-	-	-	-	-	-

\*\* 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:

Particulars	(Rs. in Lakhs)	
	For the Year ended 31.03.2021	For the Year ended 31.03.2020
Short-term employee benefits	53.18	53.18
Post-employment benefits*	3.63	3.63
Other long-term benefits*	-	-

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

**NOTE 35: INCOME TAX EXPENSE**

Particulars	(Rs. in Lakhs)	
	For the Year ended 31.03.2021	For the Year ended 31.03.2020
Current Tax	876.55	587.93
Deferred Tax	(24.22)	10.71
Relating to origination and reversal of temporary differences	-	-
<b>Tax Expense attributable to Current Year's/Period's Profit</b>	<b>852.33</b>	<b>598.64</b>
Adjustments in respect of Income Tax of Earlier Years		35.61
<b>Income Tax Expense reported in the Statement of Profit and Loss</b>	<b>852.33</b>	<b>634.25</b>
<b>Current Tax related to items recognized in Other Comprehensive Income during the year/period</b>		
Net (gain)/Loss on remeasurement of defined benefit plan	(6.62)	1.20
<b>Income Tax Charged to Other Comprehensive Income</b>	<b>(6.62)</b>	<b>1.20</b>

**NOTE 36: FINANCIAL INSTRUMENTS**

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

Particulars	As at 31.03.2021		As at 31.03.2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets (Current and Non-Current)</b>				
<b>Financial Assets measured at Amortised Cost</b>				
Trade Receivables	4,730.37	4,730.37	2,143.87	2,143.87
Cash and Cash Equivalents	339.72	339.72	519.52	519.52
Other Bank Balances	2,669.25	2,669.25	9.71	9.71
Loans	-	-	87.87	87.87
<b>Financial Assets measured at Fair Value through Profit and Loss Account</b>				
Investment in Equity Instruments and Bonds	1,878.58	1,878.58	2,715.25	2,715.25
<b>Financial Liabilities (Current and Non-Current)</b>				
<b>Financial Liabilities measured at Amortised Cost</b>				
Borrowings	5,329.87	5,329.87	3,325.48	3,325.48
Trade Payables	3,549.62	3,549.62	3,331.05	3,331.05
Other Financial Liabilities	366.21	366.21	404.16	404.16

### 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 31.03.2021		As at 31.03.2020		Currency
		No. of deals	Amount in Foreign Currency	No. of deals	Amount in Foreign Currency	
Export Receivables	Forward	6	18,91,308.43	16	23,71,828.18	USD/INR
Export Receivables	Forward	14	33,51,862.03	21	24,28,332.45	EURO/INR

### FINANCIAL RISK FACTORS

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

### MARKET RISK

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

### Foreign Currency Risk

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

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

#### **Interest Rate Risk**

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

#### **Other price risk**

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

#### **CREDIT RISK**

The credit risk is the risk that 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 significant single customer accounted for more than 10% of the accounts receivable and 10% of revenue as at March 31, 2021.

#### **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.

#### **NOTE 37: EARNING PER SHARE (EPS)**

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

<b>Particulars</b>		<b>2020-21</b>	<b>2019-20</b>
Profit or Loss attributable to ordinary Equity Shareholders	Rs. in Lakhs	2,552.24	1,826.07
Equity Share Capital	Rs. in Lakhs	624.00	624.00
Weighted average number of equity shares outstanding [Face value of Rs. 10/- per share]	Nos.	6,240.00	6,240.00
Earnings Per Share- Basic and Diluted	Rs.	40.90	29.26

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



**NOTE 38: 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	(Rs. in Lakhs)	
	2020-21	2019-20
Lease payment for the year	6.70	4.23
Minimum Lease payment not later than 1 year	5.08	5.08
Later than one year but not later than Five years	1.87	1.87
Later than Five years	35.31	35.31

**NOTE 39: MICRO, SMALL AND MEDIUM ENTERPRISES**

There were no dues outstanding to the suppliers as on 31.03.2021 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 40:**

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 41:**

Provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility (CSR) is applicable in case of the company. The Company was required to incur a minimum amount of Rs. 28.11 Lakhs being two percent of average net profits of the company made during the three immediately preceding financial years as calculated as per section 198 of the Companies Act, 2013. The company has incurred a sum of Rs 31.51 Lakhs in the year and the excess amount was duly approved by the CSR Committee and the Board. All the expenses have been incurred in cash.

**NOTE 42:**

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 43:**

The Board of Directors has recommended dividend of Rs. 3/- per equity (previous year Rs. 2/-) of Rs. 10/- each for the year ended 31st March, 2021

**Note44:**

These Financial Statements have been approved by Board of Directors of the Company on 19th June 2021 for issue to the shareholders for their adoption

As per our Report of even date.

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

**Rajesh Singhania**  
Partner  
Membership No. 52722

Date: 19th June, 2021  
Place: Kolkata

**For and on behalf of the Board**

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

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

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

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

# INDEPENDENT AUDITOR'S REPORT

to the Members of MALLCOM (INDIA) LIMITED

## Report on the audit of Consolidated Ind AS Financial Statements

### Opinion

We have audited the accompanying Consolidated Ind AS 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 Balance Sheet as at 31st March 2021, and the consolidated Statement of Profit and Loss, (including other comprehensive income), the 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 Ind AS 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 Ind AS 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, 2021, 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.

### 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 Ind AS 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.

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

<b>(i) Completeness, existence and accuracy of Revenue Recognition [Refer to Note 3(i) and 25 to the standalone financial statements]</b>	
<b>Key Audit Matters</b>	<b>How the matter was addressed in our audit</b>
Revenue is one of the key profit drivers and is therefore susceptible to mis-statement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year. The Company manufactures and sells a number of products to its customers. The Company has adopted the new accounting standard Ind AS 115 as at April 1, 2018 and accordingly has reviewed its sales contracts for determining the principles for recognizing revenue in accordance with the new standard.	<p>Principal audit procedures:</p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>c) Selected a sample of contracts and reassessed contractual terms to determine adherence to the requirements of the new accounting standard.</li> </ul>

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

Key Audit Matters	How the matter was addressed in our audit
<p>The Company's major part of inventory comprises Raw Material/ Accessories/ Work-in-Progress/ finished goods which are geographically spread over multiple locations such as factories producing 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> <ul style="list-style-type: none"> <li>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.</li> <li>b) Assessing whether items in the inventory ageing report prepared by the management were classified within the appropriate ageing bracket;</li> <li>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 2021 during the current year to assess the historical accuracy of management's inventory provisioning process;</li> <li>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.</li> </ul> <p>Attending cyclical inventory counts at various godowns &amp; factories at regular intervals during the reporting period and evaluating the results of the cycle counts performed by the management throughout the year to assess management's estimation of the provisioning.</p>

**Other Information**

The Holding Company's Board of Directors is 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 Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS 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 Ind AS 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 Ind AS 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 Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS 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 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 Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS 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 Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of

assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Identify and assess the risks of material misstatement of the 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 system in place and the operating effectiveness of such controls.

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

Conclude, on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS 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 Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the 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 of such entities included in the consolidated financial statements. 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 Rs. 1087.21, Rs. 1925.40 and Rs.627.57 lacs respectively as at 31<sup>st</sup> March, 2021, total revenues of Rs. 26.58, Rs. 1294.10 and Rs.1457.33 lacs respectively and net profits amounting to Rs. 8.77, Rs. 267.05 and Rs.3.15 lacs respectively for the year ended on that date, as considered in the consolidated Ind AS 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 Ind AS Financial Statements.
  - b) In our opinion, proper books of account as required by law, relating to the preparation of the aforesaid Consolidated Ind AS 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 Ind AS 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 31<sup>st</sup> March 2021 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 31<sup>st</sup> March 2021 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.

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

**Rajesh Singhania**  
Partner  
Membership No. 52722  
UDIN : 21052722AAAABA2003

19A, Jawaharlal Nehru Road,  
Dated: 19th June, 2021  
Place: Kolkata

# ANNEXURE 'A' TO THE AUDITORS REPORT

of even date on the consolidated IND AS Financial statements of MALLCOM (INDIA) LIMITED

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

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

We have audited the internal financial controls over financial reporting of **MALLCOM (INDIA) LIMITED** ("the Company") as of 31st March 2021 in conjunction with our audit of the Consolidated Ind AS financial statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

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

## Auditors' Responsibility

Our responsibility is to express an opinion on the 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 2021, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Rajesh Singhania**  
Partner  
Membership No. 52722  
UDIN : 21052722AAAABA2003

19A, Jawaharlal Nehru Road,  
Dated: 19th June, 2021  
Place: Kolkata

**CONSOLIDATED BALANCE SHEET** as at 31st March 2021

Sl. NO.	Particulars	Note	(Rs. in Lakhs)	
			As at 31st March, 2021	As at 31st March, 2020
<b>I.</b>	<b>ASSETS</b>			
	<b>Non-Current Assets</b>			
	Property, Plant and Equipment	5	4,744.77	4,222.38
	Intangible assets	6	445.78	30.49
	Capital work-in-progress	7	1,455.96	304.27
	Financial Assets			
	Investments	8	0.06	0.06
	Loans	9	101.11	78.57
	Current Tax Assets (Net)		203.63	202.06
			<b>6,951.31</b>	<b>4,837.83</b>
	<b>Current Assets</b>			
	Inventories	10	5,721.17	7,573.48
	Financial Assets			
	Investments	11	1,878.58	2,125.19
	Trade receivables	12	4,822.89	2,220.56
	Cash and cash equivalents	13	401.74	524.73
	Other Bank Balances	14	2,669.25	9.71
	Loans	9	5.52	27.74
	Other Current Assets	15	2,803.52	2,367.81
			<b>18,302.68</b>	<b>14,849.21</b>
	<b>Total Assets</b>		<b>25,253.99</b>	<b>19,687.05</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	Equity Share Capital	16	624.00	624.00
	Other Equity	17	13,525.12	10,396.15
			<b>14,149.12</b>	<b>11,020.15</b>
	Minority Interest		529.24	-
	<b>LIABILITIES</b>			
	<b>Non Current Liabilities</b>			
	Financial Liabilities			
	Long Term Borrowing	18	355.13	355.13
	Deferred Tax Liabilities (Net)	19	62.07	83.77
			417.20	438.90
	<b>Current Liabilities</b>			
	Financial Liabilities			
	Short-Term Borrowings	20	5,329.87	3,235.48
	Trade Payables	21	3,633.43	3,432.92
	Other Financial Liabilities	22	366.21	404.16
	Other Current Liabilities	23	814.22	1,142.84
	Provisions	24	14.68	12.59
			<b>10,575.62</b>	<b>8,666.89</b>
	<b>Total Equity and Liabilities</b>		<b>25,253.99</b>	<b>19,687.05</b>

**Significant Accounting Policies**

3

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

As per our Report of even date.

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

**Rajesh Singhania**  
Partner  
Membership No. 52722

Date: 19th June, 2021  
Place: Kolkata

**For and on behalf of the Board**

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

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

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

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



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2021**

		(Rs. in Lakhs)		
Sl. NO.	Particulars	Note	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>INCOME</b>				
I	Revenue from operations	25	31,688.45	28,769.09
II	Other Income	26	322.12	45.86
III	<b>TOTAL INCOME</b>		<b>32,010.57</b>	<b>28,814.95</b>
<b>IV EXPENSES</b>				
	Cost of materials consumed	27A	16,362.30	16,016.21
	Purchase of Traded Goods	27B	2,508.08	1,858.91
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	28	1,224.12	(295.53)
	Employee Benefit Expense	29	1,247.03	1,067.99
	Finance Costs	30	159.80	256.68
	Depreciation and Amortization Expense	5 & 6	578.08	563.30
	Manufacturing and other Operational Expense	31	5,820.34	6,601.85
	Other Expenses	31 [a]	365.33	368.30
	<b>TOTAL EXPENSES</b>		<b>28,265.08</b>	<b>26,437.71</b>
V	<b>Profit before exceptional and extraordinary items and tax</b>		<b>3,745.49</b>	<b>2,377.24</b>
	Prior Period Item			
	Exceptional & Extraordinary Items		-	152.99
	Profit before tax		3,745.498	2,530.23
VI	<b>Tax Expense</b>			
	Current tax		934.30	599.17
	Deferred tax		(17.38)	18.27
	Income Tax for Earlier Years		5.35	35.61
			922.27	653.05
	<b>Add: Adjustment for MAT Credit Receivable</b>		7.99	11.24
VII	<b>PROFIT FOR THE PERIOD</b>		<b>2,831.21</b>	<b>1,888.43</b>
	Less: Non Controlling Interest		4.39	-
VIII	<b>PROFIT FOR THE PERIOD</b>		<b>2,826.82</b>	<b>1,888.43</b>
<b>IX OTHER COMPREHENSIVE INCOME</b>				
	Items that will be Reclassified to Profit or Loss		-	-
	Income Tax relating to items that will not be Reclassified to Profit or Loss		-	-
	Fair value of Investment / Exchange difference on transaction of foreign operations	33 [b]	(35.79)	23.80
	Income Tax relating to these items		14.62	(6.00)
	Items that will not be reclassified to profit or loss (Re-measurement of post employment benefit obligations)		31.80	(19.09)
	Income Tax relating to these items		(8.00)	4.80
			2.62	3.51
X	<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b> (Comprising Profit and Other Comprehensive Income for the Period)		<b>2,829.45</b>	<b>1,891.94</b>
<b>XI Earning per equity share of Rs. 10 each (In Rs.)</b>				
	Cash		54.29	39.58
	Basic & Diluted		45.30	30.26

**Significant Accounting Policies**

The accompanying notes are an integral part of the Financial Statements.  
As per our Report of even date.

3

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

**Rajesh Singhania**  
Partner  
Membership No. 52722

Date: 19<sup>th</sup> June, 2021  
Place: Kolkata

**For and on behalf of the Board**

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

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

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

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

**CONSOLIDATED CASH FLOW STATEMENT** for the year ended 31st March, 2021

(Rs. in Lakhs)

SL. No.	Particulars	For the Year ended 31.03.2021	For the Year ended 31.03.2020
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>Net Profit before Taxation and Extraordinary Items</b>	<b>3,745.49</b>	<b>2,377.24</b>
	Adjustments for :		
	Balances Written Back (Net)	[27.66]	2.42
	Depreciation and Amortisation Expense	578.08	563.30
	Finance Costs	159.80	256.68
	Interest Income	[30.92]	[3.67]
	Extraordinary Item	-	152.91
	Remeasurement Gain of DBO/DBP	2.62	[3.51]
	Profit on sale of Property, Plant & Equipment (Net)/Assets Written Off	[252.91]	429.01
			968.13
	<b>Operating Profit before Working Capital Changes</b>	<b>4,174.50</b>	<b>3,345.35</b>
	Adjustments for :		
	(Increase)/Decrease in Inventories	1,852.31	[797.60]
	(Increase)/Decrease in Trade and Other Receivables	[4,808.57]	2,414.05
	Increase/(Decrease) in Trade & Other Payables & Provisions	[185.68]	[3,141.94]
			1,064.72
	Cash generated from Operations	<b>1,032.56</b>	<b>4,410.09</b>
	Direct Taxes paid (Net of Refunds)	[849.76]	[641.81]
	<b>Net Cash from Operating Activities</b>	<b>1,882.32</b>	<b>3,768.28</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Interest Income	30.92	3.67
	Share Capital/Premium & Reserve Raised/Acquisition	953.79	-
	Profit on sale of Property, Plant & Equipment (Net)/Assets Written Off	252.91	-
	Purchase of Property, Plant and Equipments (Including Capital Work-in-Progress and Advances)	[2,667.45]	[558.21]
	Balances Written back (net)/ remeasurement of DBO/DBP	27.66	-
	Purchases/Proceeds from sale of Investments	246.61	[1,155.56]
			[1,580.34]
	<b>Net Cash from/ (Used in) Investing Activities</b>	<b>(1,155.56)</b>	<b>(2,134.88)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Repayment of Long Term Loans	-	[0.04]
	(Repayment)/ Proceeds from Short Term Borrowings	2,094.39	[1,294.22]
	Interest and Financial Charges Paid	[159.80]	[256.68]
	Dividend and Tax paid thereon (Interim, special and Final)	[124.80]	1,809.79
			150.45
	<b>Net Cash from/ (Used in) Financing Activities</b>	<b>1,809.79</b>	<b>(1,400.18)</b>
	<b>Net Increase/(Decrease) in cash or cash equivalents (A+B+C)</b>	<b>2,536.55</b>	<b>232.91</b>
	<b>Cash or Cash equivalents at the beginning of the year</b>	<b>534.44</b>	<b>301.53</b>
	<b>Cash or Cash equivalents at the end of the year</b>	<b>3,070.99</b>	<b>534.44</b>

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 31.3.20	Principal	Proceeds/(Repayment)	Fair Value Changes	Forex Changes	As at 31.03.2021
Short Term Borrowings	3,235.48	-	2,094.39	-	-	5,329.87
Long term Borrowings	355.13	-	-	-	-	355.13

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 Ind AS-7 'Statement of Cash Flows'.

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

Particulars	As at 31.03.2021	As at 31.03.2020
Balances with Banks	2,669.25	9.71
Cash in Hand	401.74	524.73
<b>Total</b>	<b>3,070.99</b>	<b>534.44</b>

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

**Rajesh Singhania**  
Partner  
Membership No. 52722

Date: 19<sup>th</sup> June, 2021  
Place: Kolkata

For and on behalf of the Board

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

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

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

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31st March, 2021

### A. EQUITY SHARE CAPITAL

Particulars	(Rs. in Lakhs)	
	Numbers	Amount
Equity Shares of Rs. 10 each, issued, subscribed and fully paid-up		
As at 31.03.2021	6,240,000	624.00
As at 31.03.2020	6,240,000	624.00

### B. OTHER EQUITY

For the year ended 31st March, 2021

(Rs. in Lakhs)

Particulars	Reserves and Surplus				
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Total
<b>Opening Balance as at 01.04.2020</b>	<b>401.49</b>	<b>1,268.12</b>	<b>8,975.00</b>	<b>(248.46)</b>	<b>10,396.15</b>
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)
<b>Closing Balance as at 31.03.2021</b>	<b>401.49</b>	<b>1,806.44</b>	<b>11,501.17</b>	<b>(183.97)</b>	<b>13,525.12</b>

For the year ended 31st March, 2020

(Rs. in Lakhs)

Particulars	Reserves and Surplus				
	Capital Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Total
<b>Opening Balance as at 01.04.2019</b>	<b>401.49</b>	<b>1,268.12</b>	<b>7,375.00</b>	<b>(389.95)</b>	<b>8,654.66</b>
Profit for the Current Year	-	-	-	1,888.43	-
Comprehensive Income for the year	-	-	-	3.51	-
Total Comprehensive Income for the year	-	-	-	1,891.94	1,891.94
Transfer to/ (from) Retained Earnings	-	-	1,600.00	(1,600.00)	-
Remeasurement of DBP/DBO/Investment	-	-	-	-	-
Dividend	-	-	-	(124.80)	(124.80)
Dividend Distribution Tax	-	-	-	(25.65)	(25.65)
<b>Closing Balance as at 31.03.2020</b>	<b>401.49</b>	<b>1,268.12</b>	<b>8,975.00</b>	<b>(248.46)</b>	<b>10,396.15</b>

As per our Report of even date.

For S. K. Singhania & Co.

Chartered Accountants

Firm Registration No. 302206E

Rajesh Singhania

Partner

Membership No. 52722

Date: 19<sup>th</sup> June, 2021

Place: Kolkata

For and on behalf of the Board

A.K.Mall

Chairman & Managing Director

(DIN : 00470184)

S.S.Agrawal

Chief Financial Officer

G.K.Mall

Director

(DIN : 01043022)

S. Purakayastha

Company Secretary

(ACS : 42302)

**Notes 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 on BSE Limited, which is a recognized stock exchange in India. The registered office of the Company is located at EN-12, Sector-V, Salt Lake City, Kolkata-700091.

These consolidated financial statements (CFS) are approved and adopted by the Board of Directors of the Company in its meeting dated 19th June 2021. They comprise of the financial statements of Mallcom (India)

Limited and its subsidiaries – Mallcom Safety Pvt. Ltd., Mallcom VSFT Gloves Pvt. Ltd. and Best 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	Country of Activity	% Shareholding Incorporation	
			As at 31.03.2021	As at 31.03.2020
Mallcom Safety Pvt. Ltd	Dealers in Personal Protective Equipment(PPE)	India	50.003	100
Best Safety Private Limited	Manufacturer Exporter of Industrial Safety Shoes	India	100	-
Mallcom VSFT Gloves Pvt. Ltd	Manufacturer & Exporter of Nitrile Dipped & Other Synthetic Gloves	India	100	100

The Consolidated Financial Statements of the Group are prepared on following basis:

- a) 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.
- b) 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.
- c) 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.
- d) 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, 2021.

**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**

- i. 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:
  - (a) Power over the investee
  - (b) Exposure or rights to variable returns from its involvement with the investee
  - (c) 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.

- 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.

#### 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 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 recognised in Statement of Profit and Loss.

### i) Revenue recognition

#### Sales

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

#### Export Benefits

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

#### Interest & Dividend

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

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

### j) Provisions & Contingent Liabilities

Provisions are recognized when an enterprise has a present obligation as a result of past event that probably requires an outflow of resources to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and

are determined based on best estimate required to settle the obligation at the balance sheet date. They are reviewed at each balance sheet date and adjusted to reflect the current best estimates

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

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

**k) Foreign Currency Transaction**

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

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

Forward Exchange Contracts not intended for trading or speculation purposes.

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

**l) Equity Share Capital**

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

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

**m) Inventories**

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

**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

**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.

**n) Leases**

**Company as lessee**

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset, (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use



assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

#### **The Company as a lessor**

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

Company adopted Ind AS 116 on Leases w.e.f 1st April 2019.

#### **o) Taxation**

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the income statement except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Tax expense comprises of current tax and deferred tax.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets

are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### **p) Employee Benefits**

##### **I. Short Term Employee Benefits**

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

##### **II. Defined Contribution Plans**

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

##### **III. Defined Benefit Plans**

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

experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

**q) Earnings Per Share**

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

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

**r) Segment Reporting**

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

**s) Borrowing Costs**

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

**t) Investments**

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

**4. Critical accounting judgments, assumptions and key sources of estimation and uncertainty**

The preparation of the consolidated financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies

and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognised in the year in which the results are known /materialised and, if material, their effects are disclosed in the notes to the consolidated financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the consolidated financial statements have been disclosed below. The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

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

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

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

**ii. Arrangements containing leases and classification of leases**

The Group enters into service / hiring arrangements for various assets / services. The determination of

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

**iii. Claims and Compensation**

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

**iv. Impairment allowances on trade receivables**

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

**v. Income taxes**

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

Deferred Tax for all taxable temporary differences have been given effect to in the consolidated

financial statements. In case of Associates and Joint Venture, the Group being in a position to control the timing of reversal of temporary differences and considering the past trend there being no possibility of such reversal in near future, adjustment for deferred taxation against share of profit attributable to the Group has not been given effect in the consolidated financial statements.

**vi. Defined benefit obligation (DBO)**

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

**vii. Provisions and Contingencies**

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

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

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

**NOTE 5: PROPERTY, PLANT AND EQUIPMENT**

(Rs. in Lakhs)

SL. NO.	Particulars	GROSS BLOCK				DEPRECIATION/AMORTIZATION					NET BLOCK
		Opening as at 01.04.2020	Additions During the year	Deductions/ Adjustments During the year	As at 31.03.2021	Opening as at 01.04.2020	Provisions During the Year	Deductions/ Adjustments During the year	Up to 31.03.2021	As at 31.03.2021	As at 31.03.2021
<b>(i) Tangible Assets:</b>											
1	Free Hold Land	805.69	-	-	805.69	-	-	-	-	805.69	805.69
2	Buildings	1,901.90	49.43	-	1,951.33	653.19	101.49	-	754.68	1,196.65	1,248.71
3	Plant and Equipment	3,870.90	763.87	-	4,634.77	1,844.13	378.89	-	2,223.02	2,411.75	2,026.77
4	Electrical Installations	257.47	7.22	-	264.69	148.39	27.10	-	175.49	89.20	109.08
5	Mould & Dies	325.22	19.11	-	344.33	194.42	26.21	-	220.63	123.70	130.80
6	Furniture & Fixtures	120.07	49.73	-	169.80	80.76	9.77	-	90.53	79.27	39.31
7	Vehicles	59.42	-	-	59.42	42.54	5.28	-	47.82	11.60	16.88
8	Office Equipments	33.77	1.54	-	35.31	22.96	5.05	-	28.01	7.30	10.81
9	Computer	54.67	23.91	-	78.58	46.64	12.33	-	58.97	19.61	8.03
	<b>Total</b>	<b>7,429.11</b>	<b>914.81</b>	<b>-</b>	<b>8,343.92</b>	<b>3,033.03</b>	<b>566.12</b>	<b>-</b>	<b>3,599.15</b>	<b>4,744.77</b>	<b>4,396.08</b>

**NOTE 6: INTANGIBLE ASSETS**

(Rs. in Lakhs)

SL. NO.	Particulars	GROSS BLOCK				DEPRECIATION/AMORTIZATION					NET BLOCK
		Opening as at 01.04.2020	Additions During the year	Deductions/ Adjustments During the year	As at 31.03.2021	Opening as at 01.04.2020	Provisions During the Year	Deductions/ Adjustments During the year	Up to 31.03.2021	As at 31.03.2021	As at 31.03.2021
<b>(ii) In Tangible Assets:</b>											
1	Computer License	84.86	-	-	84.86	56.49	11.15	-	67.64	17.22	17.22
2	Patent Right	10.06	-	-	10.06	7.94	0.83	-	8.77	1.29	1.28
3	Goodwill	-	427.28	-	427.28	-	-	-	-	427.28	427.28
	<b>Total</b>	<b>94.92</b>	<b>427.28</b>	<b>-</b>	<b>522.20</b>	<b>64.43</b>	<b>11.98</b>	<b>-</b>	<b>76.41</b>	<b>445.78</b>	<b>445.78</b>

**NOTE 7: CAPITAL WORK IN PROGRESS**

(Rs. in Lakhs)

SL. NO.	Particulars	COST				AMORTIZATION					NET BLOCK
		Opening as at 01.04.2020	Additions During the year	Deductions/ Adjustments During the year	As at 31.03.2021	Opening as at 01.04.2020	Provisions During the Year	Deductions/ Adjustments During the year	Up to 31.03.2021	As at 31.03.2021	As at 31.03.2021
1	Plant & Equipment	19.00	1.26	19.00	1.26	-	-	-	-	-	1.26
2	Factory Godown	260.91	22.03	-	282.94	-	-	-	-	-	282.94
3	Factory Building	10.50	1,161.26	-	1,171.76	-	-	-	-	-	1,171.76
4	Electrical Installations	8.05	-	8.05	-	-	-	-	-	-	-
5	Computer	5.80	-	5.80	-	-	-	-	-	-	-
	<b>SUB Total (C)</b>	<b>304.26</b>	<b>1,184.55</b>	<b>32.85</b>	<b>1,455.96</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,455.96</b>

**NOTE 8: NON-CURRENT INVESTMENTS**

(Fully paid up except otherwise stated)

Rs. in Lakhs)

SL NO.	Particulars	As at 31.03.2021		As at 31.03.2020	
		Unit	Value	Unit	Value
1	Investment in Government or Trust Securities [NSC Placed with Vat Authorities]	-	0.06	-	0.06
	<b>Total</b>		0.06		0.06

**NOTE 9: FINANCIAL ASSETS- LOANS**

Rs. in Lakhs)

SL NO.	Particulars	Non-Current		Current	
		As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
	(Unsecured and Considered Good)				
1	Security Deposit & Earnest Money Deposit	101.11	78.57	-	-
2	Loan & Advances to Staff and Workers	-	-	5.52	27.74
	<b>Total</b>	101.11	78.57	5.52	27.74

**NOTE 10: INVENTORIES (Valued at Lower of Cost or Net Realizable Value)**

Rs. in Lakhs)

SL NO.	Particulars	As at 31.03.2021	As at 31.03.2020
1	Raw Material (Includes Goods in Transit Rs.208.07 Lacs [As at 31.03.2020 Rs 479.38 Lacs])	3,421.82	4,115.94
2	Work-in-Progress	607.57	1,183.86
3	Finished Goods	732.51	1,268.47
4	Stores & Spares	959.27	1,005.20
	<b>Total</b>	<b>5,721.17</b>	<b>7,573.48</b>

**NOTE 11 : INVESTMENTS**

(Fully paid up except otherwise stated)

(Rs. in Lakhs)

Sl. NO.	Particulars	Face Value (In Rs.)	As at 31.03.2021		As at 31.03.2020	
			Unit	Amount	Unit	Amount
1	<b>Investments at Fair Value through Profit or Loss In Units of Mutual Funds</b>					
	Edelweiss Capital Limited, NCD	100,000.00	-	-	250	299.61
	<b>Investment in Mutual Fund [Debt]</b>					
	L&T Triple Ace Bond Fund -Direct -Growth	10.00	-	-	5,61,200	310.16
	L&T Banking & PSU Bond Fund-Direct-Growth	10.00	-	-	16,43,232	305.08
	L&T Short Term Fund-Direct -Growth	10.00	-	-	14,69,649	295.93
	L&T Money Market Fund-Direct-Growth	10.00	-	-	14,86,061	303.99
	Nippon India Banking & PSU Bond Fund-Direct -Growth	10.00	-	-	40,53,205	610.42
	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	-	2,125.19
	<b>Total</b>			<b>1,878.58</b>		<b>2,125.19</b>

**11.2 AGGREGATE CARRYING AMOUNT OF QUOTED INVESTMENTS**

(Rs. in Lakhs)

Particulars	As at 31.03.2021		As at 31.03.2020	
	Aggregate Carrying Amount	Market Value	Aggregate Carrying Amount	Market Value
<b>Quoted Investments:</b>				
In Bonds and Units of Mutual Funds	1,878.58	1,878.58	2,125.19	2,125.19
<b>Total</b>	<b>1,878.58</b>	<b>1,878.58</b>	<b>2,125.19</b>	<b>2,125.19</b>

**NOTE 12: TRADE RECEIVABLES**

(Rs. in Lakhs)

Sl. NO.	Particulars	Current	
		As at 31.03.2021	As at 31.03.2020
1	<b>Unsecured</b>		
	Considered Good	4,746.20	2,220.56
	Considered Doubtful	76.69	-
	<b>Total</b>	<b>4,822.89</b>	<b>2,220.56</b>

**NOTE 12.1: Ageing of Trade Receivable**

(Rs. in Lakhs)

Sl. NO.	Particulars	As at 31.03.2021	As at 31.03.2020
	Within the credit period	4,746.20	2,143.87
	1-180 days past due	-	-
	More than 180 days past due	76.69	76.69
	<b>Total</b>	<b>4,822.89</b>	<b>2,220.56</b>

**NOTE 13: CASH AND CASH EQUIVALENTS**

(Rs. in Lakhs)

Sl. NO.	Particulars	As at 31.03.2021	As at 31.03.2020
1	Cash in Hand	14.20	12.43
2	Balance with Banks	387.55	512.30
	<b>Total</b>	<b>401.74</b>	<b>524.73</b>

**NOTE 14 : OTHER BANK BALANCES**

(Rs. in Lakhs)

Sl. NO.	Particulars	As at 31.03.2021	As at 31.03.2020
1	Fixed Deposits (Including margin money)	2,669.25	9.71
	<b>Total</b>	<b>2,669.25</b>	<b>9.71</b>

**NOTE 15 : OTHER ASSETS**

(Rs. in Lakhs)

SL. NO.	Particulars	As at 31.03.2021	As at 31.03.2020
	[Unsecured and Considered Good]		
1	Advance Recoverable in cash or in kind*	0.04	20.58
2	Advance to Suppliers	851.80	691.62
3	MAT Credit Receivable	-	56.67
4	Balance With Revenue Authorities ( Indirect Taxes)	1,935.21	1,581.50
5	Prepaid Expenses	15.48	17.44
6	Others	0.99	
	<b>Total</b>	<b>2,803.52</b>	<b>2,367.81</b>

\* Includes amount receivable from Related Parties

**NOTE 16 : SHARE CAPITAL**

(Rs. in Lakhs)

SL. NO.	Particulars	As at 31.03.2021	As at 31.03.2020
1	<b>AUTHORIZED CAPITAL</b>		
	1,00,00,000 Equity Shares of Rs. 10/- each	1,000.00	1,000.00
		<b>1,000.00</b>	<b>1,000.00</b>
2	<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b>		
	62,40,000 (62,40,000) Equity Shares of Rs. 10/- each fully paid-up	624.00	624.00
	<b>Total</b>	<b>624.00</b>	<b>624.00</b>

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

Sl. No.	Name of Shareholders	No. of Shares Held as at 31.03.2021	% of Total paid-up Equity Share Capital	No. of Shares Held as at 31.03.2020	% of Total paid-up Equity Share Capital
1	AJAY KUMAR MALL	10,25,320	16.43	10,25,320	16.43
2	KADAMBINI SECURITIES PRIVATE LIMITED.	22,04,606	35.33	21,89,606	35.09
3	JAY KUMAR DAGA	12,64,402	20.26	12,98,494	20.81
4	MALLCOM HOLDINGS PRIVATE LIMITED	6,13,600	9.83	6,13,600	9.83

16.2 The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

16.3 In the event of liquidation of the company, the holders of equity share will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

16.4 As no fresh issue or reduction in capital was made during the current year as well as during the previous period, hence there is no change in the opening and closing capital. Accordingly, reconciliation of share capital has not been given.

16.5 Aggregate number of bonus shares issued, shares issued for consideration other than cash and bought back shares

As at 31.03.2021	As at 31.03.2020
Nil	Nil

during the period of five years immediately preceding the reporting date:

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

**NOTE 17 OTHER EQUITY**

**Nature of Reserves**

**Capital Reserve**

A capital reserve represents the amount, being the purchase price lower than the fair market value of the capital assets acquired by the company and used for the purpose of its business

**Securities Premium Reserve**

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

**General Reserve**

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

**Retained Earnings**

Retained Earnings represents the undistributed profits of the company.

**NOTE 18: BORROWINGS**

[Rs. in Lakhs]

Sl. NO.	Particulars	Non-Current Portion	
		As at 31.03.2021	As at 31.03.2020
1	<b>Unsecured Borrowings</b>		
	From Others (Related Parties)	355.13	355.13
	<b>Total</b>	<b>355.13</b>	<b>355.13</b>

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

**NOTE 19: DEFERRED TAX ASSETS & LIABILITIES (NET)**

[ Rs. in Lakhs]

Sl. NO.	Particulars	As at 31.03.2021	As at 31.03.2020
1	<b>Deferred Tax Assets:</b>		
	Arising on account of:		
	Expenses allowed for tax purpose when paid	-	-
2	<b>Deferred Tax Liabilities:</b>		
	Arising on account of:		
	Depreciation and Amortization	[40.76]	[61.87]
	Expenses allowed for tax purpose when paid	[21.31]	[21.90]
	<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>[62.07]</b>	<b>[83.77]</b>



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 Com- prehensive Income	Addition for Acquisition during the year	As at 31.03.2021
<b>Deferred Tax Assets:</b>					
Fair Valuation of financial assets and financial 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 obligations	10.03	(10.03)	-	-	-
<b>Total Deferred Tax Assets</b>	<b>(21.90)</b>	<b>(6.03)</b>	<b>6.62</b>	<b>-</b>	<b>(21.31)</b>
<b>Deferred Tax Liabilities:</b>					
Fair Valuation (gain)/loss on Investments	-	-	-	-	-
Timing difference with respect to property, plant & Equipment and other intangible assets	(61.87)	23.41	-	(2.30)	(40.76)
<b>Total Deferred Tax Assets</b>	<b>(61.87)</b>	<b>23.41</b>	<b>-</b>	<b>(2.30)</b>	<b>(40.76)</b>
<b>NET DEFERRED TAX ASSETS/(LIABILITIES)</b>	<b>(83.77)</b>	<b>17.38</b>	<b>6.62</b>	<b>(2.30)</b>	<b>(62.07)</b>

#### NOTE 20: CURRENT BORROWINGS

(Rs. in Lakhs)

Sl. NO.	Particulars	As at 31.03.2021	As at 31.03.2020
	<b>Secured</b>		
1	<b>Loan Repayable on Demand</b>		
	Export Packing Credit (Refer Note 20.1)	5,329.87	3,147.66
	Packing Credit Foreign Currency Loan (Refer Note 20.1)	-	87.82
	<b>Total</b>	<b>5,329.87</b>	<b>3,235.48</b>

20.1. Demand loans from banks are secured by hypothecation of all present/future stock and receivables, all present/future fixed assets (excluding Land & Building) and Corporate guarantee by Kadambini securities Pvt Ltd and Mallcom Holdings Pvt Ltd and further personal guarantee of Managing Director.

20.2. There is no default in repayment of principal and interest thereon

#### NOTE 21 : TRADE PAYABLES

(Rs. in Lakhs)

Sl. NO.	Particulars	As at 31.03.2021	As at 31.03.2020
1	For Supplying of Goods	2,439.88	2,752.73
2	For Supplying of Services	1,193.55	680.20
	<b>Total</b>	<b>3,633.43</b>	<b>3,432.93</b>

21.1. There were no dues outstanding to the suppliers as on 31.03.2021 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

(Rs. in Lakhs)

Sl. NO.	Particulars	As at 31.03.2021	As at 31.03.2020
1	Security Deposits from Customers, Vendors & Others	366.21	404.16
	<b>Total</b>	<b>366.21</b>	<b>404.16</b>

**NOTE 23 : OTHER CURRENT LIABILITIES**

[Rs. in Lakhs]

Sl. NO.	Particulars	As at 31.03.2021	As at 31.03.2020
1	Advance From Customers/Suppliers	782.48	1,121.48
2	Statutory Liabilities	31.74	21.36
	<b>Total</b>	<b>814.22</b>	<b>1,142.84</b>

**NOTE 24: SHORT TERMS PROVISIONS**

[Rs. in Lakhs]

Sl. NO.	Particulars	As at 31.03.2021	As at 31.03.2020
1	<b>Provision for Employee Benefits</b>		
	Gratuity	1.10	12.59
	Other Staff Benefit Schemes (Leave Encashment)	-	-
	Provision for tax	13.58	-
	<b>Total</b>	<b>14.68</b>	<b>12.59</b>

**NOTE 25: REVENUE FROM OPERATIONS**

[Rs. in Lakhs]

Sl. NO.	Particulars	As at 31.03.2021	As at 31.03.2020
1	<b>Sale of Manufactured Goods</b>		
	Leather Gloves	4,673.07	4,614.64
	Textile Garments	9,051.54	8,490.65
	Nitrile Dipped Gloves	3,174.49	2,108.62
	Safety Shoes	8,395.52	9,425.37
	Shoe Upper	-	601.73
	Knitted Gloves	490.70	128.64
	Helmet / Facemask/ eye protection	785.31	49.61
	Others	-	11.12
		26,570.63	25,430.38
2	<b>Sale of Traded Goods</b>		
	Safety Shoes	1,482.51	1,396.03
	Nitrile Dipped Gloves	545.38	322.47
	Leather Gloves	1,971.47	166.27
	Textile Garments	70.85	278.68
	Others	125.88	33.06
		4,196.09	2,196.51
3	Service Exports	-	-
4	Job Work Charges	4.74	-
5	Foreign Exchange Gain	147.90	164.38
6	Export Incentives	769.09	977.88
		921.73	1,142.26
	<b>Total</b>	<b>31,688.45</b>	<b>28,769.09</b>

**NOTE 26: OTHER INCOME**

(Rs. in Lakhs)

Sl. NO.	Particulars	As at 31.03.2021	As at 31.03.2020
1	Interest Income	30.92	3.67
2	Profit on sale of Fixed asset	1.75	27.21
3	Profit on sale of Investment	251.16	2.42
4	Balances Written Back	27.66	-
5	Other Non Operating Income	10.63	12.55
	<b>Total</b>	<b>322.12</b>	<b>45.86</b>

**NOTE 27A: COST OF MATERIALS CONSUMED**

(Rs. in Lakhs)

Sl. NO.	Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
a)	<b>Opening Stock</b>	5,312.85	4,619.07
	<b>PURCHASES OF RAW MATERIALS AND STORES</b>		
1	Raw Materials (Including Carriage Inward)	13,030.05	14,224.38
2	Stores and Spares	1,557.46	1,584.34
3	Packing Materials	843.04	709.56
	<b>Sub-Total</b>	<b>15,430.55</b>	<b>16,518.28</b>
	<b>Closing Stock</b>	4,381.11	5,121.14
	<b>Total</b>	<b>16,362.30</b>	<b>16,016.21</b>

**NOTE 27B: PURCHASE OF TRADED GOODS**

(Rs. in Lakhs)

Sl. NO.	Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
1	Safety Shoes	-	1,321.11
2	Nitrile Dipped Gloves	480.27	209.32
3	Leather Gloves	1,830.65	104.63
4	Textile Garments	44.87	194.16
5	Others	153.01	29.69
	<b>Total</b>	<b>2,508.08</b>	<b>1,858.91</b>

**NOTE 28: CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS AND TRADE GOODS**

[Rs. in Lakhs]

SL. NO.	Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
1	<b>Closing stock</b>		
	Work-in-Progress	607.57	1,183.86
	Finished Goods	732.51	1,268.47
		1,340.08	2,452.33
2	<b>Opening stock</b>		
	Work-in-Progress	1,183.86	1,340.50
	Add: Stok from BSPL	30.93	-
	Finished Goods	1,268.47	816.30
	Add: Stok from BSPL	80.93	-
		2,564.20	2,156.80
	<b>TOTAL</b>	<b>1,224.12</b>	<b>(295.53)</b>

[Rs. in Lakhs]

SL. NO.	Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
1	<b>Finished Goods</b>		
	Leather Gloves	196.35	310.59
	Textile Garments	17.31	148.50
	Nitrile Dipped Gloves	323.52	140.58
	Safety Shoes	118.89	365.89
	Shoe Upper	14.65	95.39
	Knitted Gloves	20.98	41.35
	Helmets	1.03	21.67
	Leathers	-	76.88
	Personal Protective Equipments (Others)	39.78	60.07
		<b>732.51</b>	<b>1,260.92</b>
2	<b>Work-in-progress</b>		
	Leather Gloves	112.00	103.95
	Textile Garments	253.49	418.83
	Knitted Gloves	-	2.98
	Safety Shoes	220.28	-
	Shoe Uppers	21.80	562.86
	Leather	-	95.24
		<b>607.57</b>	<b>1,183.86</b>

**NOTE 29 : EMPLOYEE BENEFIT EXPENSES**

(Rs. in Lakhs)

Sl. NO.	Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
1	Salaries, Wages and Bonus	1,121.53	953.08
2	Contribution to Provident and Other Funds)	100.36	93.19
3	Staff Welfare Expenses	25.14	21.71
	<b>Total</b>	<b>1,247.03</b>	<b>1,067.98</b>

**NOTE 30 : FINANCE COSTS**

(Rs. in Lakhs)

Sl. NO.	Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
1	Interest Expenses	110.32	189.34
2	Bank and Finance Charges	49.48	67.34
	<b>Total</b>	<b>159.80</b>	<b>256.67</b>

**NOTE 31 : MANUFACTURING AND OTHER OPERATIONAL EXPENSES**

(Rs. in Lakhs)

Sl. NO.	Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
1	Fabrication & Processing Charges	3,638.90	4,480.52
2	Factory Maintenance	112.35	80.16
3	Labour Charges	363.03	348.95
4	Freight - Export	245.44	122.82
5	Terminal Handling Charges - Export	41.06	60.26
6	Clearing & Forwarding Expenses	154.85	93.63
7	Insurance	19.56	28.78
8	Carriage Outward	372.36	319.01
9	Sales Promotion Expenses	110.17	318.26
10	Trade Fair Expenses	0.96	27.43
11	Sales Commission	3.79	19.08
12	Other selling expenses	118.09	145.45
13	Power & Fuel	441.36	386.27
14	Repairs to Buildings	30.16	4.66
15	Repairs to Plant & Machinery	107.56	110.17
16	Security Charges	60.70	56.39
	<b>Total</b>	<b>5,820.34</b>	<b>6,601.85</b>

**NOTE 31 (a) : OTHER EXPENSES**

(Rs. in Lakhs)

SL NO.	Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
1	Rent	45.36	33.14
2	Postage, Telephone & Telex	13.21	12.69
3	Travelling & Conveyance	8.87	9.27
4	Printing & Stationery	11.05	16.64
5	Filing Fees	0.30	0.56
6	Rates & Taxes	12.73	8.47
7	Legal & Professional Fees	20.90	55.94
8	Membership & Subscription	4.67	9.21
9	Directors' Sitting Fees	4.42	1.72
10	Payment to auditors (refer details below)	7.63	7.15
11	Miscellaneous Expenses	221.09	211.10
12	Loss on sale of Fixed Assets	-	0.33
13	AMC Charges	2.90	-
14	Consultancy Fees	9.96	-
15	General Expenses	2.23	-
16	Irrecoverable Receivables Written-Off	-	2.09
	<b>Total</b>	<b>365.33</b>	<b>368.30</b>
	<b>Payment to Auditor</b>		
	Audit Fee	4.30	4.12
	Tax Audit Fee	0.50	0.50
	Certification Charges	0.87	0.80
	Other Services	1.96	1.73
	<b>Total</b>	<b>7.40</b>	<b>7.15</b>

**NOTE 32: CONTINGENT LIABILITIES (CLAIMS/DEMANDS NOT ACKNOWLEDGED AS DEBT)**

(Rs. in Lakhs)

a) Contingent Liabilities	As at 31.03.2021	As at 31.03.2020
Export bills duly discounted/negotiated under LC and for which acceptance already received and/or moved to bank line (previous year figures relates to Bill drawn under LC only)	-	158.60
Outstanding Bank guarantee issued by SBI and CITI Bank	21.99	22.41
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.	250.00	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	695.00
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	107.80	86.21
Service Tax Demand in respect of earlier years which has been disputed by the company	-	29.50
Corporate Guarantee given to Banks for extending fund based credit limit to subsidiary and group companies	1,300.00	300.00

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

Particulars	As at 31.03.2021	As at 31.03.2020
USD	1,891,308.43	2,371,828.18
EURO	3,351,862.03	2,428,332.45

**NOTE 33: EMPLOYEE BENEFITS (REFER NOTE 29)**

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

(Rs. in Lakhs)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Provident Fund	62.04	55.52
ESIC	21.20	19.58
<b>Total</b>	<b>83.24</b>	<b>75.50</b>

(b) **Defined Benefit Plan**

**Gratuity** - The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity as per provisions of The Payment of Gratuity Act, 1972. The scheme is funded through approved gratuity trust and is managed by HDFC Standard Life Insurance Co Ltd.

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

(Rs. in Lakhs)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>Changes in Defined Benefit Obligations:</b>		
Present value of defined benefit obligation at the beginning of the year	129.09	107.54
Current Service Cost	10.87	11.30
Interest Cost	9.03	7.26
Remeasurements (gains)/losses	(17.41)	6.18
Benefits paid	(4.23)	(3.18)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>127.35</b>	<b>129.10</b>
<b>Change in Plan Assets:</b>		
Fair value of plan assets at the beginning of the year	87.15	88.44
Expected Return on Plan Assets	6.10	5.97
Remeasurements (gains)/losses	24.64	12.92
Contributions	12.59	8.85
Benefits paid	(4.23)	(3.18)
<b>Fair value of plan assets at the end of the year</b>	<b>126.25</b>	<b>87.16</b>
<b>Fair Value of Planned Assets:</b>		
Fair value of plan assets at the beginning of the year	87.15	88.44
Actual Return on plan assets	30.74	6.95
Contributions	12.59	8.85
Benefits paid	(4.23)	(3.18)
<b>Fair value of plan assets at the end of the year</b>	<b>126.25</b>	<b>87.16</b>
<b>Actuarial (Gain)/Loss on Planned Assets:</b>		
Actual Return on plan assets	30.74	(6.95)
Expected Return on Plan Assets	6.10	(5.97)
<b>Actuarial (Gain)/Loss</b>	<b>24.64</b>	<b>(12.92)</b>

(Rs. in Lakhs)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>Actuarial (Gain) / Loss - Recognised</b>		
Actuarial (gain)/loss- obligation	(17.41)	(6.18)
Actuarial (gain)/loss- plan assets	(24.64)	(12.92)
Total Actuarial (Gain)/Loss	(42.05)	(19.09)
<b>Actuarial (Gain) / Loss - Recognised</b>	<b>(42.05)</b>	<b>(19.09)</b>
<b>Experience adjustment:</b>		
Experience Adjustment (Gain)/Loss for Plan Liabilities	15.19	2.07
Experience Adjustment (Gain)/Loss for Plan Assets	(24.64)	12.92
<b>Summary of membership data at the date of valuation and statistics based thereon:</b>		
Number of employees	372	365
Total monthly salary	27.28	27.23
Average Past Service(Years)	9.10	8.50
Average Future Service(Years)	20.10	20.60
Average Age(Years)	39.90	39.40
Weighted average duration (based on discounted cash flows) in years	13	13
Average Monthly Salary	7,332	7,460
<b>Expenses Recognized in the statement of Profit and Loss</b>		
Current Service Cost	10.87	11.30
Interest Cost	9.03	7.26
Expected Return on Plan Assets	(6.10)	(5.97)
<b>Expenses Recognized in the statement of Profit and Loss</b>	<b>13.80</b>	<b>12.59</b>
<b>Expenses Recognized in Other Comprehensive Income (OCI)</b>		
Actuarial (gains)/losses arising from changes in financial assumptions	1.10	41.93
<b>Total recognized in Other Comprehensive Income</b>	<b>1.10</b>	<b>41.93</b>
<b>Total recognized in Total Comprehensive Income</b>	<b>14.90</b>	<b>54.52</b>
<b>Amount recognized in the Balance Sheet consists of</b>		
Present Value of Defined Benefit Obligation	127.35	129.09
Fair Value of Plan Assets	126.25	87.16
Net Liability	1.10	41.93
<b>The Major Categories of Plan Assets as a % of Total Plan</b>		
Qualifying Insurance Policy	100%	100%

**The Principal actuarial assumption used:**

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Discount Rate	7.00% per annum	6.75% per annum
Salary Growth Rate	5.00% per annum	5.00% per annum
Mortality Rate	IALM 2012-14 Ultimate	IALM 2006-08 Ultimate
Expected Rate Of Return	7.75% p.a	
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. Some assumptions were considered for comparative period i.e 2019-20 as per Ind AS-19.

The Gratuity Scheme is invested in group Gratuity-Cum-Life Insurance 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	Last drawn Qualifying Salary	Last drawn Qualifying Salary
Vesting Period	5 Years of Service	5 Years of Service
Benefits of Normal Retirement	15/26*Salary* Past Service (Years)	15/26*Salary* Past Service (Years)
Benefit on early exit due to death and disability	As above except that no vesting conditions apply	As above except that no vesting conditions apply
Limit	2,000,000.00	2,000,000.00

**Current Liability:**

Particulars	2020-21	2019-20
Current Liability (Short Term)*	28.71	28.50
Non Current Liability (Long Term)	98.64	100.59
Total Liability	127.35	129.09

\* Current Liability is nil, because of Overfunding.

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

**Sensitivity Analysis:**

Assumptions Sensitivity Level	Discount Rate		Salary Growth Rate		Withdrawal Rate	
	1.0% Increase	1.0% Decrease	1.0% Increase	1.0% Decrease	1.0% Increase	1.0% Decrease
Impact on Defined Benefit Obligation (Rs. in Lakhs)	119.49	136.29	86.37	75.62	81.53	79.75

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

The weighted average duration of the defined benefit obligation as at 31.03.2021 is 11 years.

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

Particulars	(Rs. in Lakhs)
01 st April 2021 to 31 st March 2022	28.71
01 st April 2022 to 31 st March 2023	4.67
01 st April 2023 to 31 st March 2024	4.01
01 st April 2024 to 31 st March 2025	9.15
01 st April 2025 to 31 st March 2026	4.91
01 st April 2026 Onwards	75.88

**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:

(Rs. in Lakhs)

Particulars	(Rs. in Lakhs)	
	For the Year ended 31.03.2021	For the Year ended 31.03.2020
Segment Revenue from Operations:		
Outside India	21,269.68	18,964.22
Within India	10,418.77	9,804.87
<b>Total</b>	<b>31,688.45</b>	<b>28,769.09</b>

(Rs. in Lakhs)

Particulars	(Rs. in Lakhs)	
	For the Year ended 31.03.2021	For the Year ended 31.03.2020
Trade Receivables:		
Outside India	4,427.42	1,940.37
Within India	395.47	280.19
<b>Total</b>	<b>4,822.89</b>	<b>2,220.56</b>

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

**NOTE 35: RELATED PARTY DISCLOSURE (AS PER IND AS 24- RELATED PARTY DISCLOSURES)**

(a) <b>Group Companies:</b>	<ul style="list-style-type: none"> <li>(i) Chaturbujh Impex Pvt. Ltd.</li> <li>(ii) Mallcom Lexotic Exports Pvt. Ltd.</li> <li>(iii) Kadambini Securities Pvt. Ltd.</li> <li>(iv) Mallcom Holdings Pvt. Ltd.</li> <li>(v) Movers Construction Pvt. Ltd.</li> <li>(vi) Anmol Components Pvt. Ltd.</li> <li>(vii) DNB Exim Pvt. Ltd.</li> <li>(viii) Two Star Tannery Pvt. Ltd.</li> <li>(ix) SSR Enterprise Pvt Ltd.</li> <li>(x) Trencher Online Services Pvt. Ltd.</li> </ul>
(b) <b>Key Managerial Personnel:</b>	<ul style="list-style-type: none"> <li>(i) Mr. Ajay Kumar Mall (Managing Director)</li> <li>(ii) Shyam Sundar Agrawal (CFO)</li> <li>(iii) Shuvanki Purakayastha (CS)</li> </ul>
(c) <b>Relatives of Key Managerial Personnel:</b>	<ul style="list-style-type: none"> <li>(i) Mr. Sanjay Kumar Mall</li> <li>(ii) Mrs. Sunita Mall</li> <li>(iii) Mr. Giriraj Mall</li> <li>(iv) Mr. Rohit Mall</li> <li>(v) Mrs. Kiran Devi Mall</li> <li>(vi) Mrs. Preeti Mall</li> <li>(vii) Mrs. Surabhi Mall</li> </ul>

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

(Rs. in Lakhs)

Type of Transaction	Transaction with associates referred to in (a) above		Transaction with Key Managerial Personnel referred to in (b) above		Transaction with Relatives of Key Managerial Personnel referred to in (c) above	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Sale of Goods & Services	43.84	774.80	-	-	-	-
Purchase of Goods & Services	3.59	2,994.62	-	-	-	-
Job Work Charges Paid	738.83	-	-	-	-	-
Advance Given	10.61	-	-	-	-	-
Security Deposit / Advance	-	306.38	-	-	-	-
Unsecured Loan & Advance repaid	-	-	-	-	-	-
Remuneration **	-	-	56.81	56.81	-	-
Dividend Paid	75.07	75.07	20.51	20.51	6.75	6.75
Rent (including service Charges) Paid	54.00	54.00	-	-	-	-

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

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

(Rs. in Lakhs)

Particulars	For the Year ended	For the Year ended
	31.03.2021	31.03.2020
Short-term employee benefits	53.18	53.18
Post-employment benefits*	3.63	3.63
Other long-term benefits*	-	-

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

NOTE 36: INCOME TAX EXPENSE

(Rs. in Lakhs)

Sl. No.	Particulars	For the Year ended	For the Year ended
		31.03.2021	31.03.2020
1	Current Tax	934.30	599.17
2	Deferred Tax - Relating to origination and reversal of temporary differences	(17.38)	18.27
	<b>Tax Expense attributable to Current Year's/Period's Profit</b>	<b>916.92</b>	<b>617.44</b>
3	Adjustments in respect of Income Tax of Earlier Years	5.35	35.61
	<b>Income Tax Expense reported in the Statement of Profit and Loss</b>	<b>922.27</b>	<b>653.05</b>
	<b>Current Tax related to items recognized in Other Comprehensive Income during the year/period</b>		
4	Net (gain)/Loss on remeasurement of defined benefit plan	(6.62)	4.52
	<b>Income Tax Charged to Other Comprehensive Income</b>	<b>(6.62)</b>	<b>4.52</b>

**NOTE 36: FINANCIAL INSTRUMENTS**

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

(Rs. in Lakhs)

Particulars	As at		As at	
	31.03.2021		31.03.2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets (Current and Non-Current)</b>				
<b>Financial Assets measured at Amortised Cost</b>				
Trade Receivables	4,822.89	4,822.89	2,220.56	2,220.56
Cash and Cash Equivalents	401.74	401.74	524.73	524.73
Other Bank Balances	2,669.25	2,669.25	9.71	9.71
Loans	106.63	106.63	106.31	106.31
<b>Financial Assets measured at Fair Value through Profit and Loss Account</b>				
Investment in Equity Instruments and Bonds	1878.58	1878.58	2,125.19	2,125.19
<b>Financial Liabilities (Current and Non-Current)</b>				
<b>Financial Liabilities measured at Amortised Cost</b>				
Borrowings	5,685.00	5,685.00	3,590.61	3,590.61
Trade Payables	3,633.43	3,633.43	3,332.14	3,332.14
Other Financial Liabilities	366.21	366.21	404.16	404.16

**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.

**Fair Valuation Techniques**

Underlying Purpose	Category	As at 31.03.2021		As at 31.03.2020		Currency
		No. of deals	Amount in Foreign Currency	No. of deals	Amount in Foreign Currency	
Export Receivables	Forward	6	1,891,308.43	16	2,371,828.18	USD/INR
Export Receivables	Forward	14	3,351,862.03	21	2,428,336.45	EURO/INR

## FINANCIAL RISK FACTORS

The Company's activities are exposed to a variety of financial risks. The key financial risks include 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 instrument. The major components of Market risks are currency risk, interest rate risk and other price risk. Financial instruments affected by market risk include trade receivables, borrowings, investments and trade and other payables.

#### Foreign Currency Risk

Foreign Currency risk is the 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 a 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 expose 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.

### 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.

## NOTE 38: EARNING PER SHARE (EPS)

### A. Basic and Diluted EPS:

Particulars		2020-21	2019-20
Profit or Loss attributable to ordinary Equity Shareholders	Rs. in Lakhs	2,831.20	1,888.43
Equity Share Capital	Rs. in Lakhs	624.00	624.00
Weighted average number of equity shares outstanding (Face value of Rs. 10/- per share)	Nos.	6,240,000.00	6,240,000.00
Earnings Per Share - Basic and Diluted	Rs.	45.30	30.26

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

**NOTE 39: OPERATING LEASES**

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

Particulars	(Rs. in Lakhs)	
	2020-21	2019-20
Lease payment for the year	18.39	13.63
Minimum Lease payment not later than 1 year	16.63	14.48
Later than one year but not later than Five years	5.91	4.22
Later than Five years	37.20	35.37

**NOTE 40:**

There were no dues outstanding to the suppliers as on 31.03.2021 registered under the Micro, Small and Medium Enterprises (Development) Act, 2006, to the extent such parties have been identified from the available documents/ information. No interest in terms of such Act has either been paid or provided during the year.

**NOTE 41:**

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

**NOTE 42:**

Provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility (CSR) is applicable in case of the company. The Company was required to incur a minimum amount of Rs. 28.11 Lakhs being two percent of average net profits of the company made during the three immediately preceding financial years as calculated as per section 198 of the Companies Act, 2013. The company has incurred a sum of Rs 31.51 Lakhs in the year and the excess amount was duly approved by the CSR Committee, Audit Committee and the Board. All the expenses have been incurred in cash.

**NOTE 43:**

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

**NOTE 44:**

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

**NOTE 45:**

The Board of Directors has recommended dividend of Rs 3/- per equity shares (previous year Rs 2/-) of Rs 10/- each for the year ended 31st March, 2021

**NOTE 46:**

These Financial Statements have been approved by Board of Directors of the Company on 19th June 2021 for issue to the shareholders for their adoption

As per our Report of even date.

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

**Rajesh Singhania**  
Partner  
Membership No. 52722

Date: 19th June, 2021  
Place: Kolkata

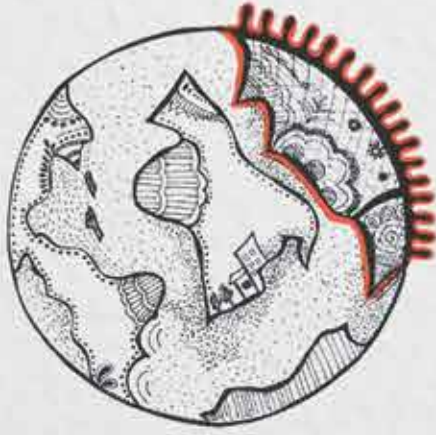
**For and on behalf of the Board**

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

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

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

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



अब हर इंसान अपने परिवार के पास है,  
वक्त बिता है अपनो के साथ जो बहुत खास है।  
खुद को समझने का समय जो उसे मिल पाया है।  
प्रकोप प्रकृति का जो कोरोना दुनिया में आया है।  
दौड़-भाग वाली जिंदगी में जहाँ थकना मना था,  
सवेरा तो हो राहा था पर फिर भी अंधेरा घना था,  
पुरानी जीवनशैली में अब नया बदलाव आया है  
प्रकोप है प्रकृति का जो कोरोना दुनिया में आया है।  
कहते है जो पैसा भगवान को वो भी अब लाचार है,  
भय का मच रहा अब चारों ओर हाहाकार है,  
घर में रहने से ही खुद को सुरक्षित पाया है  
प्रकोप है प्रकृति का जो कोरोना दुनिया में आया है।

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To showcase resilience and hope,  
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**Mallcom (India) Ltd.**  
EN-12, Sector-V, Salt Lake, Kolkata 700 091, India  
T: +91 33 4016 1000 | F: +91 33 4016 1010  
E: [safety@mallcom.in](mailto:safety@mallcom.in) | W: [www.mallcom.in](http://www.mallcom.in)

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