



Mallcom (India) Ltd.

31<sup>st</sup> ANNUAL REPORT 2014-15



## **Our Vision**

Our vision is to design, produce and provide products and services with an emphasis on performance and to expand our presence in the international market place.

## **Our Mission**

Mallcom will lead in its operating domain in the top five positions, without compromising on the price – quality – service matrix.

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Annual General Meeting will be held on Friday, the 11th day of September, 2015 at 11.00 a.m. at EN-12, Sector-V, Salt Lake City, Kolkata-700091.

## Corporate Information

### BOARD OF DIRECTORS

Ajay Kumar Mall, Chairman & Managing Director

Giriraj Mall, Director

R. P. Singh, Independent Director

Barsha Khattry, Independent Director

### CHIEF FINANCIAL OFFICER

Shyam Sundar Agrawal

### COMPANY SECRETARY

Nidhi Agarwal

### AUDITORS

Doshi, Chatterjee, Bagri & Co.  
Flat 3A, Saket,  
2, Ho Chi Minh Sarani,  
Kolkata-700 071

### REGISTRAR & SHARE TRANSFER AGENT

Niche Technologies Pvt. Ltd.  
D-511 Bagree Market, 5<sup>th</sup> Floor,  
71, B. R. B. Basu Road, Kolkata – 700 001  
Ph- 033 2235-7270; Fax-033 2215 6823  
Email-nichetechpl@nichetechpl.com

### REGISTERED OFFICE

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

### FACTORIES

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

### BANKERS

State Bank of India

Citibank N.A.

HSBC Bank

ICICI Bank

HDFC Bank

Standard Chartered Bank

Axis Bank

## DIRECTORS' REPORT

To

The Members

The Directors have pleasure in presenting before you Thirty-first Annual Report of the Company together with Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2015.

### FINANCIAL RESULTS

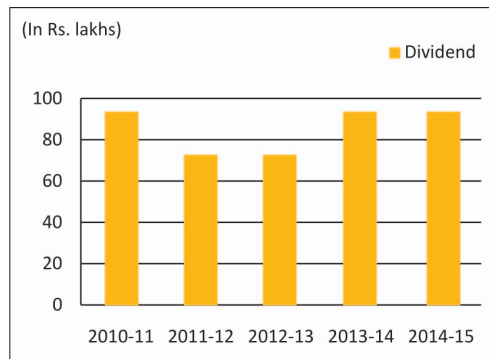
Your Company's performance during the year ended 31st March, 2015 is summarized below:

(Rupees in Lakhs)

Particulars	31-March-2015	31-March-2014
Gross Sales	26,490.71	21,813.30
Other Income	37.21	19.03
Total Revenue	26,527.92	21,832.33
Less: Total Expenditure	25,653.46	21,154.00
Gross Profit (Before Depreciation & Finance Cost)	1,625.95	1,338.43
Less: Finance Cost	335.69	383.55
Depreciation	415.80	276.55
Earnings before Tax [EBT]	874.46	678.33
Less: Income Tax		
-Current	330.00	194.67
-Income Tax for Earlier Years	18.05	23.40
-Deferred	12.96	10.12
Profit after Tax [PAT]	513.46	450.14
Add: Profit b/f from previous year	8.34	7.71
	521.80	457.84
<b>Appropriation</b>		
Dividend Recommended	93.60	93.60
Dividend Tax	19.06	15.91
Transfer to General Reserve	400.00	340.00
Profit & Loss Account balance carried to Balance sheet	9.15	8.34
<b>Key Ratios</b>		
Earning per Share (Rs.)	8.23	7.21
Dividend per share (Rs.)	1.50	1.50
Current Ratio	1.18:1	1.33:1
Debt-Equity Ratio	0.92:1	1.27:1

**DIVIDEND**

Your Directors are pleased to recommend dividend of Rs.1.50 per share (15%) for the financial year ended 31st March, 2015. The dividend if approved by the shareholders will be paid to all the equity shareholders, whose names appear in the Register of Members as on, 4<sup>th</sup> September, 2015. Total dividend of 15% for the year 2014-15 would absorb Rs. 112.66 Lakh inclusive of dividend tax.



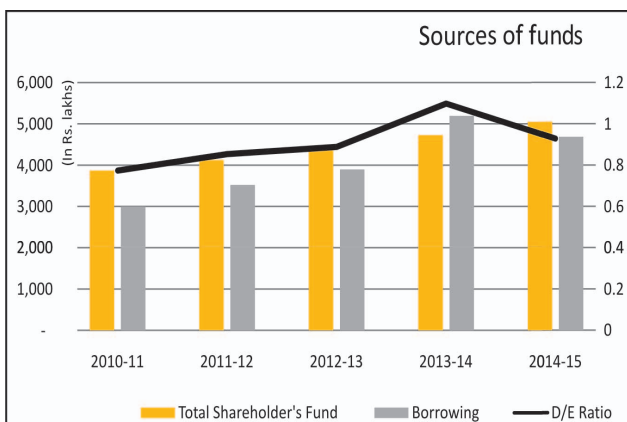
**PERFORMANCE OF THE COMPANY**

The Company has been able to achieve a significant turnover growth of 21.44% during the current year.

The Standalone Gross Income and Profit After Tax of the company for the year was Rs. 26,527.92 Lakh & Rs. 513.46 Lakh as against Rs. 21,832.33 Lakh and Rs. 450.14 Lakh respectively for the previous year.

The Consolidated Gross Income of the company for the year under review was Rs. 26,887.10 Lakh as against Rs. 22,248.67 Lakh for the previous year resulting in a growth of 20.84 % The Consolidated profit after tax, of the company, for the year was Rs. 678.21 Lakh as against Rs. 492.85 Lakh for the previous year.

The increase in Gross Income was mainly contributed by increase in export & domestic turnover by 21.35% and 26.33% respectively.



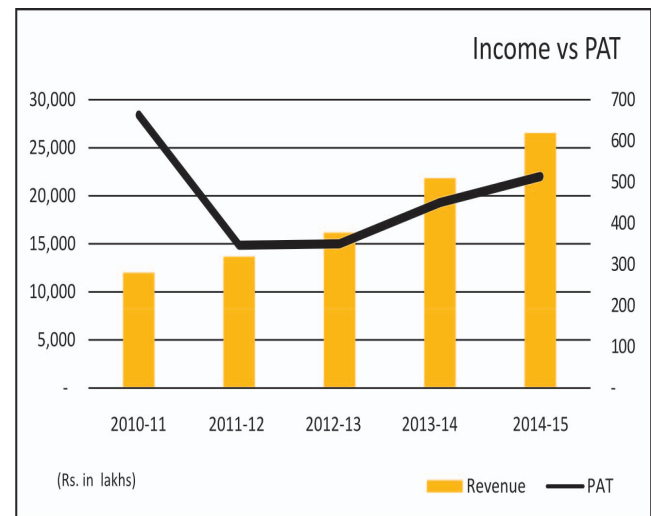
**FINANCIAL POSITION**

**Share Capital**

The subscribed, issued and paid-up capital of the company remained at 62,40,000 equity shares of Rs.10/- each implying a fully paid up capital of Rs.624.00 Lakh as on 31st March 2015.

**Reserve and Surplus**

The Reserve and surplus balance for the company during the fiscal under review has gone up from Rs.4,104.38 Lakh to Rs.4,427.18 Lakh with a further transfer of Rs.400.00 Lakh to General Reserve.



**SECURED LOANS**

During the Fiscal 2015, the Company had an secured loan for a sum of Rs. 4,528.48 Lakhs as short term borrowing.

**UNSECURED LOANS**

During the Fiscal 2015, the company had an unsecured loan for a sum of Rs. 159.14 Lakh as long term borrowing.

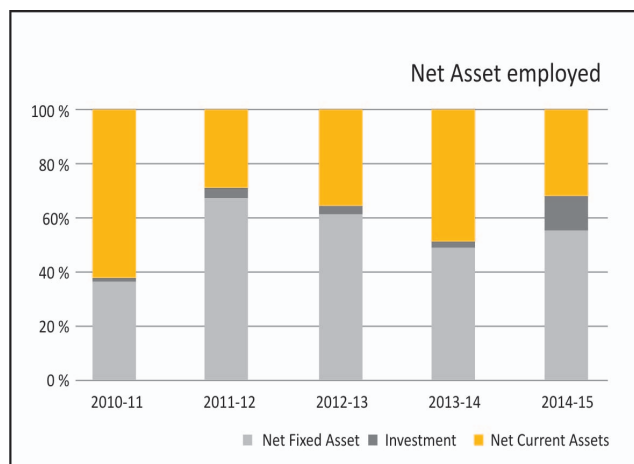
**FIXED ASSETS**

The Gross Fixed Assets (including Capital work-in-progress) as at 31st March, 2015 were Rs.5,484.01 Lakh as compared to Rs. 5,152.28 Lakh in the previous year.

**CURRENT ASSETS**

The current assets of the Company as on 31st March, 2015 were Rs. 10,536.97 Lakh as against Rs. 11,054.40 Lakh in the previous year. Inventory level was at Rs.4331.52 Lakh, which has increase by Rs. 263.05 Lakh over previous year's level of Rs. 4068.47 Lakh. Debtors outstanding as on 31st

March, 2015 were Rs. 2,874.01 Lakh as against Rs. 3,385.57 Lakh for previous year i.e. an increase of Rs.511.56 Lakh over the previous year.



#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under Clause 49 of the Listing Agreements with Stock Exchanges, the Management Discussion and Analysis Report is enclosed as a part of this report.

#### CORPORATE GOVERNANCE

Your Company has taken adequate steps to adhere to all the stipulations laid down in Clause 49 of the Listing Agreement. A Report on Corporate Governance is appended along with a certificate from the Practicing Company Secretary confirming the compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the listing agreement.

#### CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements are prepared by your Company in accordance with the applicable accounting standards issued by the Institute of Chartered Accountants of India and the same together with Auditor's Report thereon form part of the Annual Report.

#### SUBSIDIARY COMPANIES

Your Company has three subsidiaries as on date. Further there has been no material change in the nature of business of the subsidiaries. A report on the performance and the financial position of subsidiary companies as per Companies Act, 2013 forms part of the consolidated financial statement and hence not repeated here for the sake of brevity. There are no associate companies within the meaning of Section-2(6) of the Companies Act, 2013.

#### NEW BRAND IDENTITY

With our feet firmly on ground and balanced mind, we have set our vision to further expand our branded products in the established market along with the growing Indian sub-continent market. With a new mission ahead, we chose a new brand identity for us that reflects the multitude of opportunities that we would want to harness in the personal protective equipment market globally.

The new brand takes the inspiration from century old Chinese puzzle – Tangram – The seven boards of skill. It is a dissection puzzle consisting of seven flat shapes, called *tans*, which are put together to form shapes. The objective of puzzle is to make specific shape using all seven pieces, without overlapping. This solution provides symbolic representations of immense opportunities that we, at Mallcom, would imbibe to make our products smart and provide effective solutions to our clients.

#### AUDITORS AND AUDITORS' REPORT

##### Statutory Auditors

M/s Doshi, Chatterjee, Bagri & Co., Chartered Accountants have been appointed as Statutory Auditors of the company at the last Annual General Meeting held on 28th August, 2014 for a period of five years subject to ratification by members at every consequent Annual General Meeting. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

Explanation to the qualification and other matters in Auditors' Report

The Company has already been making contribution towards the gratuity liability as per the actuarial valuation arranged by the managers to gratuity fund. The company plans to obtain the actuarial valuation report for both gratuity and leave encasement benefits in line with AS - 15 and the required contribution will be made during the current year to make good of shortfall if any.

Beside the above the Auditors Report on the Accounts of the Company for the year under review is self-explanatory and requires no comment.

##### Cost Auditor

M/s. S Chhparia & Associates, Cost Accountants were appointed as Cost Auditors for auditing the cost accounts of your Company for the year ended 31st March, 2015 by the Board of Directors.

**Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Rashmi Agarwal & Associates Company Secretaries to undertake the secretarial audit of the Company. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith as Annexure-A.

Secretarial Auditors Report of the Company for the year under review is self-explanatory and requires no comment.

**Internal Auditors**

Mrs. Anjali G. Worah, Chartered Accountant performs the duties of internal auditors of the company and their report is reviewed by the audit committee from time to time.

**CORPORATE SOCIAL RESPONSIBILITY**

Even though the provisions of Companies Act, 2013 regarding Corporate Social Responsibility are not attracted to the company yet the Company has been, over the years, pursuing as part of its corporate philosophy, an unwritten CSR policy for welfare and aspirations of the community.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior the company has adopted a vigil mechanism policy. This policy may be accessed on the company website.

**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 Directors and the Key Managerial Personnel of the Company. The NRC recommends appointment of Director/appointment or re-appointment of Manager and Chief Executive Officer 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, in addition to ensuring diversity of race and gender, also considers the impact the appointee would have on Board's balance of professional experience, background, view points, skills and areas of expertise.

The Board of Directors in consonance with the recommendation of Nomination and Remuneration Committee has also adopted the Remuneration Policy for the members of the Board and Executive Management. The said policy earmark the principles of remuneration and ensures a well balanced and performance related

compensation package taking into account shareholders' interest, industry practices and relevant corporate regulations in India.

**RISK MANAGEMENT**

During the year, your Directors have constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board in overseeing all the risks that the organization faces. A Risk Management Policy was approved by the Committee and the same may be accessed on the company website.

The Company manages monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.

**DIRECTORS**

At the 30th Annual General Meeting of the company held on 28th August, 2014 the company had appointed the existing independent directors Shri R.P.Singh (DIN 00240910) and Dr. Barsha Khattry (DIN 01974874) as independent directors under the companies Act, 2013.

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 clause 49 of listing agreement.

In accordance with the provisions of Companies Act, 2013 read with the Articles of Association of the company, Shri Giriraj Mall (DIN: 01043022), Non-Executive Director retires by rotation and being eligible offers himself for re-appointment.

**BOARD EVALUATION**

Pursuant to the provisions of Companies Act, 2013 and clause 49 of the Listing Agreement, the Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder committee. The manner in which the evaluation has been carried out has been explained in Corporate Governance Report.

**MEETINGS**

During the year Seven Board Meetings and one independent directors' meeting was held. The Details of which are given in Corporate Governance Report. The provisions of Companies Act, 2013 and listing agreement were adhered to while considering the time gap between two meetings.

**EXTRACT OF ANNUAL RETURN**

Extract of Annual Return of the Company is annexed herewith as Annexure-B.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on an arm's length basis and in the ordinary course of business. The requirement of giving particulars of contracts/arrangement made with related parties, in Form AOC-2 are not applicable for the year under review.

**PARTICULARS OF EMPLOYEES**

The information required under section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered office of the company during business hours on working days of the company up to the date of ensuing Annual General Meeting. If any member is interested in inspecting the same, such member may write to the company secretary in advance.

No employee of the Company was in receipt of the remuneration which exceeds the limits as prescribed under section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that:

- a) in the preparation of the annual accounts for the year ended 31st March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 same period;

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

**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 a separate annexure.

**ACKNOWLEDGEMENT**

The company has been very well supported from all quarters and therefore your directors wish to place on record their sincere appreciation for the support and co-operation received from Employees, Dealers, Suppliers, Central and State Governments, Bankers and others associated with the Company.

Your Directors wish to thank the banks, financial institutions, shareholders and business associates for their continued support and cooperation.

Date: 30<sup>th</sup> May, 2015

Reg. Office:  
Mallcom Towers  
EN-12, Sector-V  
Salt Lake City  
Kolkata-700091

**For and behalf of the Board**

**A. K. Mall**  
Chairman & Managing Director



## ANNEXURE TO THE DIRECTORS' REPORT

**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 has well-structured energy management system in place. Regular efforts are made to optimize process parameters, modernize Plant and Machinery and upgrade Technology and Equipment.

The Company also took the necessary steps to reduce Fuel consumption, Electricity and Gas.

**(ii) The steps taken by the company for utilising alternate sources of energy;**

Your company is constantly exploring the potential of using alternate sources of energy which may be considered for implementation in future.

**(iii) The capital investment on energy conservation equipments**

Your 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 not imported any technology during the year.

**Expenditure on R&D:**

During the year, the Company has not incurred any expenditure on research and development.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Particulars with regard to Foreign Exchange Earnings and Outgo appear in note 37 and 38 of financial Statements.

**ANNEXURE-A**
**Form No. MR-3  
Secretarial Audit Report**
**For the financial year 01<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015**
**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
The Member  
**Mallcom (India) Limited**  
EN-12, Sector-V  
Salt Lake City  
Kolkata-700091

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mallcom (India) Ltd. (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 Mallcom (India) Ltd. 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 2015 ('Audit Period') 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 the company for the financial year ended on 31 March 2015 according to the provisions of :

- (i) The Companies Act, 2013 (**the Act**) and the Rules made there under;
- (ii) The Securities and Exchange Board of India, 1992 (**'SEBI Act'**), and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the Company: —

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and;
- f) The Securities and Exchange Board of India (Buyback of Securities) Regulation, 1998;
- g) The Company has complied with the requirements under the Equity Listing Agreements;
- h) The Memorandum and Article of Association.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (Not applicable to the Company as on date).
- (ii) The Listing Agreements entered into by the Company.

**I further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company :-

- a) Factories Act, 1960;
- b) Acts prescribed under prevention and control of pollution
- c) Labor Laws and other incidental laws related to labor and employees appointed by the Company either on its payroll or on contractual basis and as related to wages, provident fund, ESIC, compensation etc.

**I further report that** the Company has, in my opinion, complied with the provisions of the Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:

- a) Maintenance of various statutory registers and documents and making necessary entries therein;
- b) Closure of the Register of Members.
- c) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
- d) Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- e) The meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- f) Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- g) Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
- h) Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
- i) Payment of remuneration to Directors including the Managing Director and Whole-time Directors,
- j) Appointment and remuneration of Auditors and Cost Auditors;
- k) Declaration and payment of dividends;

- l) Borrowings and registration, modification and satisfaction of charges wherever applicable;
- m) Contracts, common seal, registered office and publication of name of the Company.

**I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for the compliances under other applicable Acts, Laws and Regulations to the Company**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**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 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**I further report that 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.

**For Rashmi Agarwal & Associates**  
Company Secretary

**Rashmi Agarwal**

Proprietor

CP No.: 10377

Date: 29<sup>th</sup> May 2015  
Place: Kolkata

**ANNEXURE-B**
**FORM NO. MGT 9**
**EXTRACT OF ANNUAL RETURN  
as on financial year ended on 31.03.2015**
**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration ) Rules, 2014.**
**I. REGISTRATION & OTHER DETAILS:**

i	CIN	L51109WB1983PLC037008
ii	Registration Date	13 <sup>th</sup> December, 1983
iii	Name of the Company	Mallcom (India) Limited
iv	Category/Sub-category of the Company	Public Company /Limited by shares
v	Address of the Registered office & contact details	EN-12, Sector-V, Salt Lake City, Kolkata-700091 Tel : +91 33 40161000 Fax:+91 33 40161010
vi	Whether listed company	Yes/No
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any	Niche Technologies Private Limited 71, B.R.B BASU ROAD, Kolkata-700001, Tel: +91 33 23257270

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

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

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

Sl.No.	Name & Address of the Company	CIN/GLN	HOLDING/SUBSIDIARY /ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Mallcom Safety Pvt. Ltd. EN-12, Sector-V, Salt Lake City, Kolkata-700091	U19200WB2007PTC120303	Subsidiary	100	2(87)
2	Mallcom Safety Equipment Pvt. Ltd. EN-12, Sector-V, Salt Lake City, Kolkata-700091	U36999WB2011PTC168896	Subsidiary	99.93	2(87)
3	Mallcom VSFT Gloves Pvt. Ltd., EN-12, Sector-V, Salt Lake City, Kolkata-700091	U74999WB2006PTC109074	Subsidiary	99.80	2(87)

## IV . SHAREHOLDING PATTERN (Equity Share capital Break up as percentage of Total Equity)

## (i) CATEGORY-WISE SHAREHOLDING

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2014)				No. of Shares held at the end of the year (As on 31-03-2015)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTERS</b>									
<b>(1) Indian</b>									
a) Individual/HUF	1,460,320	1,200	1,461,520	23.422	1,463,020	500	1,463,520	23.454	- 0.03
b) Central Govt.or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	3,046,586	0	3,046,586	48.823	3,046,586	0	3,046,586	48.823	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (1)</b>	<b>4,506,906</b>	<b>1,200</b>	<b>4,508,106</b>	<b>72.245</b>	<b>4,509,606</b>	<b>500</b>	<b>4,510,106</b>	<b>72.277</b>	<b>- 0.03</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL SHAREHOLDING OF PROMOTER</b>									
<b>(A)= (A)(1)+(A)(2)</b>	<b>4,506,906</b>	<b>1,200</b>	<b>4,508,106</b>	<b>72.245</b>	<b>4,509,606</b>	<b>500</b>	<b>4,510,106</b>	<b>72.277</b>	<b>- 0.03</b>

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2014)				No. of Shares held at the end of the year (As on 31-03-2015)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-
c) Central govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>SUB TOTAL (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>(2) Non Institutions</b>									
a) Bodies corporates									
i) Indian	250,100	100	250,200	4.01	249,817	100	249,917	4.005	0.00
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	33,259	48,435	81,694	1.309	33,242	46,735	79,977	1.282	0.03
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	-	-	-	-	-	-	-	-	-
c) Others (specify)	1,400,000	0	1,400,000	22.436	1,400,000	0	1,400,000	22.436	0
<b>SUB TOTAL (B)(2)</b>	1,683,359	48,535	1,731,894	27.755	1,683,059	46,835	1,729,894	27.723	0.03
<b>TOTAL PUBLIC SHAREHOLDING (B)= (B)(1)+(B)(2)</b>	1,683,359	48,535	1,731,894	27.755	1,683,059	46,835	1,729,894	27.723	0.03
<b>C. SHARES HELD BY CUSTODIAN FOR GDRS &amp; ADRS</b>	-	-	-	-	-	-	-	-	-
<b>GRAND TOTAL (A+B+C)</b>	6,190,265	49,735	6,240,000	100	6,192,665	47,335	6,240,000	100	0

## (ii) SHARE HOLDING OF PROMOTERS

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2014)			Shareholding at the end of the year (As on 31-03-2015)			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of total pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of total pledged/encumbered to total shares	
1	Ajay Kumar Mall	1,100,820	17.641	-	1,100,820	17.641	-	-
2	Giriraj Kumar Mall	50,600	0.811	-	50,600	0.811	-	-
3	Kiran Devi Mall	28,600	0.458	-	28,600	0.458	-	-
4	Preeti Mall	4,400	0.071	-	4,400	0.071	-	-
5	Rohit Mall	1,200	0.019	-	3,200	0.051	-	0.032
6	Sanjay Kumar Mall	11,700	0.188	-	11,700	0.188	-	-
7	Sunita Mall	168,200	2.696	-	168,200	2.696	-	-
8	Surabhi Mall	96,000	1.538	-	96,000	1.538	-	-
9	Kadambini Securities Pvt. Ltd.	2,142,986	34.343	-	2,142,986	34.343	-	-
10	Mallcom Holdings Pvt. Ltd.	597,600	9.577	-	597,600	9.577	-	-
11	Chaturbujh Impex Pvt. Ltd.	112,700	1.806	-	112,700	1.806	-	-
12	DNB Exim Pvt. Ltd.	115,300	1.848	-	115,300	1.848	-	-
13	Movers Construction Pvt. Ltd.	78,000	1.25	-	78,000	1.25	-	-
	<b>Total</b>	<b>4,508,106</b>	<b>72.246</b>	<b>-</b>	<b>4,510,106</b>	<b>72.278</b>	<b>-</b>	<b>0.032</b>

## (iii) CHANGE IN PROMOTERS' SHAREHOLDING (Specify if there is no change)

Sl. No.	Shareholder's Name	Share holding at the beginning of the year (As on 01-04-2014)		Cumulative Share holding during the year (01-04-2014 to 31-03-2015)	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>ROHIT MALL</b>				
	At the beginning of the year	4508106	72.246	4510106	72.278
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	<b>Date:-</b>	<b>Inc/Dec:-</b>	<b>Reason:-</b>	<b>No. of Shares:-</b>
		13.05.14	Increase	Transfer	1000
		14.05.14	Increase	Transfer	500
		30.05.14	Increase	Transfer	500
	At the end of the year	4510106	72.278	-	-

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (As on 01-04-2014)		Shareholding at the end of the year (As on 01-04-2015)	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Ajay Kumar Mall	1,100,820	17.641	1,100,820	17.641
2	Sunita Mall	1,68,200	2.696	168,200	2.696
3	Surabhi Mall	96,000	1.538	96,000	1.538
4	Jay Kumar Daga	1,400,000	22.436	1,400,000	22.436
5	Kadambini Securities Pvt.Ltd.	2,142,986	34.343	2,142,986	34.343
6	Mallcom Holdings Pvt. Ltd.	597,600	9.577	597,600	9.577
7	Chaturbujh Impex Pvt. Ltd.	112,700	1.806	112,700	1.806
8	DNB Exim Pvt. Ltd.	115,300	1.848	115,300	1.848
9	Movers Construction Pvt. Ltd.	78,000	1.25	78,000	1.25
10	Vikram Traders Pvt. Ltd.	250,000	4.006	249,713	4.002

## (v) Shareholding of Directors &amp; KMP

Sl. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year (As on 01-04-2014)		Cumulative Shareholding at the end of the year (As on 01-04-2015)	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Ajay Kumar Mall -M.D At the beginning of the year Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc) At the end of the year	1,100,820 - -	17.641 - -	- - 1100820	- - 17.641
2	Shyam Sundar Agrawal- C.F.O At the beginning of the year Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc) At the end of the year	401 - -	0.006 - -	- - 401	- - 0.006
3	Giriraj Mall - Director At the beginning of the year Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc) At the end of the year	50,600 - -	0.811 - -	- - 50,600	- - 0.811

Note: - No other Director or Key Managerial Personnel hold any shares of the Company.



## V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	410,206,908.60	109,198,667.30	-	519,405,575.90
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	410,206,908.60	109,198,667.30	-	519,405,575.90
<b>Change in Indebtedness during the financial year</b>				
Additions	42,641,700.90	-	-	42,641,100.90
Reduction	-	(932,872.19)	-	-
<b>Net Change</b>	42,641,700.90	(932,872.19)	-	(50,645,518.10)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	452,848,609.50	10,117,147.98	-	468,760,057.80
ii) Interest due but not paid	-	5,794,300.32	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	452,848,609.50	15,911,448.30	-	468,760,057.80

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl.No.	Particulars of Remuneration	Name of the MD	Total Amount
1	<b>Gross salary</b>	Mr. Ajay Kumar Mall	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	2,386,661.00	2,386,661.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	80,684.00	80,684.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-
2	Stock option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	as % of profit	-	-
	others (specify)	-	-
5	Others, please specify	-	-
	<b>Total (A)</b>	2,467,345.00	2,467,345.00
	<b>Ceiling as per the Act</b>	5% OF the Net Profit of the Company	

**B. Remuneration to other directors:**

Sl.No.	Particulars of Remuneration	Name of the Directors			Total Amount
		Mr.R.P. Singh	Dr. Barsha Khattry	Mr. Naresh Pachisia	
1	Independent Directors				
	(a) Fee for attending board and committee meetings	36,000.00	48,000.00	10,000.00	94,000.00
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	<b>Total (1)</b>	36,000.00	48,000.00	10,000.00	94,000.00
2	Other Non Executive Directors	Mr. Giriraj Mall	-	-	-
	(a) Fee for attending board committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify.	-	-	-	-
	<b>Total (2)</b>	-	-	-	-
	<b>Total (B)=(1+2)</b>	36,000.00	48,000.00	10,000.00	94,000.00
	<b>Total Managerial Remuneration</b>	-	-	-	2,561,345.00

**C. Remuneration To Key Managerial Personnel Other Than Md/Manager/WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1	<b>Gross Salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	NA	126,849.00	594,767.00	721,616.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	NA	-	21,346.00	21,346.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	NA	-	-	-
2	Stock Option	NA	-	-	-
3	Sweat Equity	NA	-	-	-
4	Commission	NA	-	-	-
	as % of profit	NA	-	-	-
	others, specify	NA	-	-	-
5	Others, please specify	NA	-	-	-
	<b>Total</b>	NA	126,849.00	616,113.00	742,962.00

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS

During the concluded financial year, the Indian economy posted 7.4% growth in the financial year 2014-15 (Central Statistics Office 2011-12 base years, Advance Estimates) as against 6.9% in the financial year 2013-14. Manufacturing Sector shows a growth of 6.8 percent against 5.8 percent in previous year. Your company too faced challenging business environment which got reflected in the company's financial performance.

India faces an export challenge, reflected in the fact that the share of manufacturing and services exports in GDP has stagnated in the last five years. According to International Monetary Fund, global growth is expected to grow at 3.5 percent in 2015 and 3.8 percent in 2016, with uneven prospect across the main countries and regions of the world. Going ahead it is widely expected that a further momentum to growth will be provided by declining oil prices and increasing monetary easing facilitated by ongoing moderation in inflation.

Over the years manufacturing sectors have emerged as the major end-use segment of personal protection equipments in India and world-wide. On account of growing communicable diseases and rising occupational health and safety concerns at work place Personal Protective Equipment find wide application across diversify industrial segments.

In summary, Your Company having used the recent challenging economic scenario to transform itself in to an agile player, is appropriately positioned for sustainable growth and Management believes that your company is well prepared to exploit every opportunity that is expected to come during this year.

### FINANCIAL PERFORMANCE

The Company has recorded a profit after tax of Rs. 513.47 Lakh during the financial year ended 31st March, 2015 as against Rs. 450.14 Lakh during the financial year ended 31st March, 2014. The basic & diluted earnings per share are Rs. 8.23 for FY'15 as against the basic & diluted earnings per share of Rs. 7.21 for FY'14.

The Indian PPE markets foremost challenge is to create more awareness among end users about the correct PPE products especially protective gloves to be used in various industries. Lack of enforcement of governments occupational and safety regulations only reduce the potential of the total PPE market. Hence, PPE manufacturers

face the responsibility to encourage industries to invest in certified quality products despite the products high price.

Increasing gloves demand supports the PPE industry and is a major contributor in industry revenue generation.

On a like to like basis i.e. comparing the results for the financial year ended March 31, 2015 with the audited results for the year ended March 31, 2014 the Company registered an overall turnover growth of 21.44%.

### OPPORTUNITIES AND THREATS

As is usual, your Company faces normal competition in all its businesses, from Indian as well as international companies. Mallcom globally competitive cost positions and well crafted business strategies have enabled it to retain its market positions.

Your Company strongly believes in the brand equity and its ability to provide its customers with innovative solutions.

The SWOT analysis with respect to the company and its products is discussed below:

#### Strengths:

- Mallcom (India) Ltd. (MIL) is one of the few established manufacturer- exporter of "Personal Protective Equipments" with unique advantage of offering maximum range of products vis-à-vis its competitors from India;
- Increasing awareness by corporations of the need to protect employees combined with the upgrading of the level of protection;
- MIL has a long track record in the Industrial Safety Products (ISP) Category;
- MIL has been a rapidly growing and profit making organization winner of several performance awards and a recognized Trading House and ISO 9001 SA 8000 Certified Company;
- MIL has been assigned Long Term Debt Rating of Fitch "IND BBB" with Stable Outlook & Short Term Rating of Fitch "IND A3" for its Working Capital Bank Borrowings by the Fitch Ratings;
- MIL is a debt free company [except working capital borrowings] complying with key ratios benchmarks confirming the solid financials and liquidity

position of the company providing ample opportunity for the company to leverage on its' fundamentals and market reputation to expand its' scale of operations to meet future demands;

- Usage of Personal Protective Equipment (PPE) being mandatory at most of the work places both in India and abroad and rising awareness for the work safety coupled with advancement of work culture/ technology will result in consistent growth in demand for company's products;
- The Company has a first mover's advantage and strong Brand value for its products range and marketing in domestic market. Quality of Indian fabrics and the growth momentum in India, despite rising inflation, may be taken as an opportunity for Indian exports.

#### Challenges

- High power and manpower cost, stringent labor laws, and shortage of skilled workers are the biggest risk concerning this industry.
- Strategies like product innovations or modifications require investments. These strategies entail higher costs and higher risks.
- The nature of business the company is in has been traditionally a low margin business with possibility of moderate scale of operations and lower cash accruals.
- The weak operating profitability margins are sensitive to incentives provided to the Sector by GOI and its' agencies;
- High working capital intensity of the business adversely effecting the liquidity position and profitability of the company;
- Ongoing economic weakness in a number of European and western countries, which have been traditionally the prime and target market for the company.

#### Risks and Concerns

- The Company's results are affected by competitive conditions and customer preferences.
- High manpower costs, stringent labor laws and shortage of skilled workers are the major risk concern.
- The operations are subject to risk arising from fluctuations in exchange rates with reference to currencies in which the company transacts.

#### Internal Control Systems and Adequacy

The Company has a proper and adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorized, recorded and reported correctly.

The Internal Control System provides for well documented, authorizations and approval procedures. Your Company, through its own Internal Audit Department, carried out periodic audits at all locations and brought out any deviation to Internal Control procedures. The observations arising out of the audit are periodically reviewed and compliance ensured.

#### Human Resources/ Industrial Relations

Your company believes that human resources play a key role in growth of organization. Planned efforts are made to develop and retain talented employees. Learning and development initiatives focus on developing the professional capabilities. The company continues to provide growth opportunities to internal talent by assigning them higher responsibilities with suitable exposure and training. The company maintains positive work environment and constructive relationship with its employees with a focus on productivity and efficiency.

## FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

**Highlights of Financial Performance:**

(Rs. in Lakhs)

Sl. No.	Particulars	2014-2015	2013-2014
1.	Net Sales/ Income from operations	26,490.70	21,813.30
2.	Other Income	37.22	19.03
3.	Sub-Total (1+2)	26,527.92	21,832.33
4.	Total Expenditure	25,653.46	21,154.00
5.	Operating Profit	1588.68	1,319.40
6.	Operating Margin	6.00%	6.05%
7.	Depreciation	415.80	276.55
8.	Provision for Tax	361.00	228.20
9.	Profit/(Loss) after tax	513.46	450.14

**Cash flow analysis:**

(Rs. in Lakhs)

Sl. No.	Particulars	2014-2015	2013-2014
	<b>Sources of cash</b>		
1.	Cash flow from operations	1,551.22	1,259.66
2.	Non- operating cash flows	1.34	9.48
3.	Increase/(Decrease) in Cash & Cash Equivalents	(43.40)	23.94
	<b>Total</b>	<b>1,509.16</b>	<b>1,293.08</b>
	<b>Use of cash</b>		
1.	Net capital expenditure	572.92	477.48
2.	Financial Expenses	262.29	318.28
3.	Dividend (Including Dividend Tax)	109.51	109.51
4.	Direct Taxes Paid	403.27	218.07
5.	Increase/(Decrease) in Non-Current Investments	495.70	(29.33)
6.	Repayment of borrowings	1,318.10	(1,465.37)
7.	Net change in working capital	(1,652.61)	1,664.52
	<b>Total</b>	<b>1,509.16</b>	<b>1,293.08</b>

**CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities, 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, exchange rates, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

## REPORT ON CORPORATE GOVERNANCE

### 1. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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.

The Mallcom (India) Ltd. is committed to good corporate governance, which promotes the long-term interests of shareowners, strengthens Board and management accountability and helps build public trust in the Company.

### 2. BOARD OF DIRECTORS:

#### Composition and Category of Directors

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors.

The Board of Directors of Mallcom (India) Ltd. comprises of Four Members out of which one is Executive Director i.e. Chairman cum Managing Director and there are Three Non Executive Directors out of which two are Independent Directors that include one Women Director. The Directors bring to the Board wide range of experience, knowledge and skills.

#### (A) Composition

The Board has an optimum combination of Executive and Non-Executive Directors, and is in conformity with Clause 49 of the Listing Agreement entered into with the stock exchanges in which the Company's Ordinary Shares are listed. The names and categories of the Director on the Board, their attendance at Board Meetings held during the year 2014-15 and the number of Directorships and Committee Chairmanships/ Memberships held by them in other Companies are given herein below.

Other directorship does not include alternate directorship, directorship of Private Limited. Companies, Section 25 companies and companies incorporated outside India. Chairmanships / Memberships of Board Committees include only Audit and Shareholders Investors & Grievance Committee as on the date of the Report is as follows:

Name of Director	Category of Directorship	No of Board Meetings attended during the tenure (out of 7)	Attendance at the last AGM	No. of other Directorship	No. of other Committee membership	No. of Committee Chairmanship in other
Mr. A. K. Mall	Managing Director	7	Yes	-	-	-
Mr. G. Mall	Non-Executive Director	6	Yes	-	-	-
Mr. R. P. Singh	Independent Director	3	Yes	7	6	1
Dr. Barsha Khattry	Independent Director	4	No	-	-	-
Mr. Naresh Pachisia*	Independent Director	1	No	8	6	-

\*Resigned w.e.f 25.07.2014

### (B) Other provisions as to Board and Committees

#### Number of Board Meetings held and the dates on which held :

During the year, in all **Seven** Board Meetings were held i.e. on 30<sup>th</sup> May, 2014; 13<sup>th</sup> August, 2014; 06<sup>th</sup> October, 2014; 14<sup>th</sup> November; 2014; 30<sup>th</sup> December, 2014; 14<sup>th</sup> February, 2015 and 23<sup>rd</sup> March, 2015. The time gap between any two meetings was not more than 4 months. In addition, the Board approved various resolutions by circulation on the 05<sup>th</sup> August, 2014; during the year.

#### Information placed before the Board of Directors:

In addition to matters statutorily requiring approval of the Board, all major items relating to mobilization of resources, capital expenditure, investments, acquisitions, technology adoption and risk management are discussed in the Board. All information prescribed under the Corporate Governance Code is placed before the Board of Directors.

All the items on the Agenda are accompanied by notes giving comprehensive information on the related subject and for certain matters such as financial/business plans, financial results detailed presentations are made. The agenda for Board meeting with relevant notes are sent in advance separately to each Director to enable the Board to take informed decisions.

The minutes of the meetings of the Board are individually given to all Directors and confirmed at the subsequent Board Meeting. The minutes of various Committees of the Board are given to the Members of the Committees and thereafter tabled before the Board for discussion at the subsequent Meeting.

Particulars of Director appointed at the Annual General Meeting and retiring by rotation and seeking reappointment have been given in the Notice convening 31<sup>st</sup> Annual General Meeting along with the Explanatory Statement.

#### Post Meeting Follow-up Mechanism:

The Board and Committee meetings perform an effective follow-up, review and reporting process for the decisions taken by the Board and committees thereof.

#### Compliance

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

### (C) Code of Conduct

The Board of Directors of the company has framed Code of Conduct for the Company. The Board Designated the Managing Director as Chief Executive Officer (CEO) for the Purpose of Corporate Governance.

All Board members and senior management personnel have affirmed compliance with the code for the year ended on 31<sup>st</sup> March, 2015. Declaration to this effect signed by the Managing Director for the year ended on 31<sup>st</sup> March, 2015 has been included elsewhere in this report.

### (D) Independent Director

Your Company appointed Independent Directors who are renowned people having expertise/experience in their respective field/profession. None of the Independent Directors are Promoters or related to Promoters. They do not have pecuniary relationship with the Company and further do not hold two percent or more of the total voting power of the Company.

#### Meeting of Independent Director

The Company's Independents Directors meet atleast once in a year without the presence of Executive Directors or management personnel. Such meeting is conducted informally to enable Independent Directors to discuss the matter pertaining to the Company affairs and put forth their view to the Chairman and Managing Director. One meeting of Independent Director was held on 30<sup>th</sup> March, 2015 during the year.

#### Performance Evaluation

The Board has carried out the annual performance evaluation of its own performance, the Directors individually (including the Independent Directors) as well as the evaluation of the working of its Committees. The exercise was carried out through a structured evaluation process covering various aspects of the functioning of the Board and its committees, Number of Committees and their roles, Frequency of meetings, Level of participation, independence of judgement, performance of their duties and obligations and implementation of good Corporate Governance practices.

The Board expressed its satisfaction of the performance of all the Directors, Board and its committees which reflected the overall engagement of the Board and its Committees with the Company.

A separate meeting of the Independent Directors of the Company was held on March 30, 2015 to evaluate the performance of Non-Independent Directors and the Board as a whole and performance of Chairperson, who were evaluated on parameters such as attendance, level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its stakeholders.

The Independent Directors expressed their satisfaction on the performance and effectiveness of the Board, individual Non-Independent Board members and the Chairman. They also expressed satisfaction with the quality, quantity and timeliness of flow of information between the company management and the Board.

#### Familiarisation Programme

Your Company follows a structured orientation and familiarization programme through various reports/internal policies for all the Directors with a view to update them on the Company's policies and procedures on a regular basis.

Periodic presentations are made at the Board Meetings on business and performance, long term strategy, initiatives and risks involved.

#### 1. AUDIT COMMITTEE

The Audit Committee is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges and Companies Act, 2013. The Company has a qualified and Independent Audit Committee comprising of three non-executive Directors out of which two are Independent Director. The Committee is vested with following powers and terms of references as prescribed under relevant provisions of the Companies Act, 2013 and Listing Agreement with the Stock Exchange(s):

##### Terms of Reference

The Audit committee has been entrusted with the job of reviewing the reports of the internal auditors and the Statutory Auditors periodically and discussing their findings and suggesting corrective measures. The role of the Audit Committee is 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, reappointment and 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 Directors' 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.
6. Reviewing with the management, the quarterly Financial Statements before submission to the Board for approval.
  7. Approval or any subsequent modification of transactions of the company with related parties.
  8. Reviewing with the management performance of statutory and internal Auditors, adequacy of the internal control systems.
  9. Discussing with Internal Auditors any significant findings and following up thereon.
  10. 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.
  11. 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.
  12. 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.
  13. To review the functioning of the Whistle Blower Mechanism, in case the same exists.
  14. Carrying out any other functions as is mentioned in the terms of reference of the Audit Committee.

#### Composition, Meeting and Attendance

(i) The current composition of the Audit Committee is as under:

Sl No.	Name of the Member	Position	No. of Meetings Attended
1.	Mr. R. P. Singh	Chairman	3
2.	Mr. Giriraj Mall	Member	3
3.	Dr. Barsha Khattry	Member	4

The Audit Committee invites such of the executives, including the Chief Financial Officer, as it considers appropriate to be present at the meetings of the Committee. The Audit Committee met 4 times during the year 2014-2015 on 30<sup>th</sup> May 2014; 13<sup>th</sup> August 2014; 14<sup>th</sup> November 2014 and 14<sup>th</sup> February 2015.

The necessary quorum was present at the meetings.

The Company Secretary acts as the Secretary of the Audit Committee.



#### 4. NOMINATION AND REMUNERATION COMMITTEE:

The Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013, Clause 49 of the Listing as amended from time to time.

##### Terms of Reference

- To identify persons who are qualified to become Directors 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
- To formulate the criteria for determining qualifications, positive attributes and independence of a director, and recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To devise a policy on Board diversity.
- 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.

#### Composition, Meeting and Attendance

Sl No.	Name of the Member	Position	No. of Meetings Attended
1.	Dr. Barsha Khattry	Chairman	1
2.	Mr. R. P. Singh	Member	1
3.	Mr. Giriraj Mall	Member	-

During the year 2014-2015, one meeting of Nomination and Remuneration Committee meeting was held on 14<sup>th</sup> February, 2015. The necessary quorum was present at the meetings.

#### Remuneration Policy

Pursuant to provision of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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. The details of which forms part of the Director's Report.

#### (A) Remuneration To Directors:

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 Share holders' 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.

Remuneration paid to Executive Directors during the year 2014-2015 :

Name of the Director	Salary	Perquisites	Commission	Amount in (Rs.)
				Total
Mr. A. K. Mall	2,386,661.00	80,681.00	-	2,467,345.00

#### (B) Non Executive Director's compensation and Disclosures

The sitting fees paid to Non-Executive/ Independent Directors are as follows:-

Names	Sitting Fees for Board Meeting	Sitting Fees for Committee Meeting	Commission	Amount in (Rs.)
				Total
Mr. R. P. Singh	30,000.00	6,000.00	-	36,000.00
Dr. Barsha Khattry	40,000.00	8,000.00	-	48,000.00
Mr. Naresh Pachisia	10,000.00	-	-	10,000.00

**5. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The existing Investors' Grievance Committee has reconstituted as Stakeholders' Relationship Committee with the requirements of Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013.

**Terms of Reference:**

1. Consider, resolve and monitor redressal of investors'/ shareholders' grievances related to transfer of securities, non-receipts of Annual Reports, non-receipts of declared dividend etc

2. Oversee the performance of the Company's Registrars and Transfer Agents
3. Carry out any other function as is referred by the Board from time to time and / or enforced by any statutory notification / amendment or modification as may be applicable
4. Perform such other functions as may be necessary or appropriate for the performance of its duties

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

Sl. No	Name of the Member	Position
1.	Mr. Giriraj Mall	Chairman
2.	Mr. A. K. Mall	Member
3.	Dr. Barsha Khattry	Member

Ms. Nidhi Agarwal, the Company Secretary, is the Compliance Officer.

**Investor Grievance Redressal**

Status of Investor Complaints as on March 31, 2015 and reported under clause 41 of the Listing Agreement are as under:

Complaints as on April 1, 2014	: Nil
Received during the year	: Nil
Resolved during the year	: Nil
Pending as on March 31, 2015	: Nil

**6. RISK MANAGEMENT COMMITTEE**

The Company has formed a business risk evaluation/ management committee consisting of Mr. Giriraj Kumar Mall as the Chairman, while Mr. Ajay Kumar Mall and

Mr. Shyam Sundar Agrawal are the members of the Committee. The primary function of the Committee is to facilitate setting up a framework for risk assessment and risk minimization procedures.

**7. 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.

No resolution required postal ballot and also no special resolution was placed for shareholders' approval at the meeting.

Nature of Meeting	Date and Time	Venue
Thirtieth Annual General Meeting	28 <sup>th</sup> August, 2014 at 10.00 a.m.	EN-12, Sector-V, Salt Lake City, Kolkata-700091
Twenty- Ninth Annual General Meeting	20 <sup>th</sup> September, 2013 at 10.00 a.m.	EN-12, Sector-V, Salt Lake City, Kolkata-700091
Twenty-Eight Annual General Meeting	21 <sup>st</sup> September, 2012 at 11.30 a.m.	EN-12, Sector-V, Salt Lake City, Kolkata-700091

No special resolution was put through postal ballot.

**8. MEANS OF COMMUNICATION**

The quarterly, half-yearly and the annual financial results are published in English and vernacular newspaper and are furnished to the Stock Exchanges with whom the

Company has listing arrangements to enable them to put them on their websites. The Company has its own website i.e. [www.mallcom.in](http://www.mallcom.in), wherein all relevant information along with the financial results and shareholding patterns are available. As per the requirements of the Listing Agreements,

all the data related to quarterly financial results, shareholding pattern etc. are also furnished to the Stock Exchanges. The Management Discussion and Analysis, forms part of the Directors' Report is covered in the Annual Report.

#### 9. DISCLOSURE

During the year 2014-2015, the Company had no materially significant transaction, which is considered to have potential conflict with the interest of the Company at large.

There has not been any non-compliance, penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years.

Your Company has established a Vigil Mechanism/ Whistle Blower Policy to enable stakeholders (including Directors and employees) to report unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides adequate safeguards against victimisation of Director(s)/employee(s) and 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 has been disclosed on the Company's website under the web link <http://www.mallcom.in>

#### 10. GENERAL SHAREHOLDERS' INFORMATION

##### a) Annual General Meeting

Date	: 11 <sup>th</sup> September, 2015
Time	: 11 a.m.
Venue	: EN-12, Sector-V, Salt Lake City, Kolkata-700091

b) Dates of Book Closure : 05<sup>th</sup> September, 2015 to 11<sup>th</sup> September, 2015

c) Date of dividend payment within 30 days of approval by the shareholders

d) Financial Calendar of the Company (tentative)

Sl.No.	Event	Period
1.	Financial Year	01 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March 2016
2.	First Quarter Results	On or before 14 <sup>th</sup> August, 2015
3.	Half yearly Results	On or before 14 <sup>th</sup> November, 2015
4.	Third Quarter Results	On or before 14 <sup>th</sup> February, 2016
5.	Financial Results for year ending 31 <sup>st</sup> March 2016	On or before 30 <sup>th</sup> May, 2016
6.	32 <sup>nd</sup> Annual General meeting for the year ending 31 <sup>st</sup> March 2016	Before 30 <sup>th</sup> September, 2016

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

Equity shares of Mallcom (India) Ltd. are listed on The Calcutta Stock Exchange Association Ltd, Kolkata & Delhi Stock Exchange Ltd, New Delhi.

The relevant listing fees for the year were paid.

##### f) Stock Code:

The Calcutta Stock Exchange Association Ltd	-	302912
Delhi Stock Exchange Ltd	-	9153
ISIN Number of Company's Shares for NSDL & CDSL	-	INE389C01015

##### g) Registrar and Transfer Agents (Physical & Demat) :

Niche Technologies Private Ltd.,  
71, B. R. B. Basu Road, D-511 Bagree Market,  
Kolkata -700001

**h) Share Transfer System:**

Share transfers are registered and returned in the normal course within an average period of 30 days from the date of receipt, if the documents are clear in all respects. Requests for dematerialization of shares are processed and confirmation is given to the respective depositories i.e. National Securities Depository Ltd. (NSDL) and Central Depository Services India Ltd (CDSL) within 15 days. Connectivity with NSDL and CDSL is maintained through the (RTA), Niche Technologies Private Ltd. at 71, B. R. B. Basu Road, D-511 Bagree Market, Kolkata-700001.

**i) Distribution of Shares:**

The Securities and Exchange Board of India (SEBI) vide its Circular nos. MRD/DOP/Cir-05/2009 dated 20<sup>th</sup> May, 2009 and SEBI/MRD/DOP/SE/RTA/Cir-03/2010 dated 7<sup>th</sup> January, 2010 has made it mandatory to furnish a copy of Income Tax PAN Card to the Company/ the Registrar and Share Transfer Agent for Transfer/ Transmission/ Deletion/ Transposition of securities held in physical form.

**j) Distribution of Shares:**

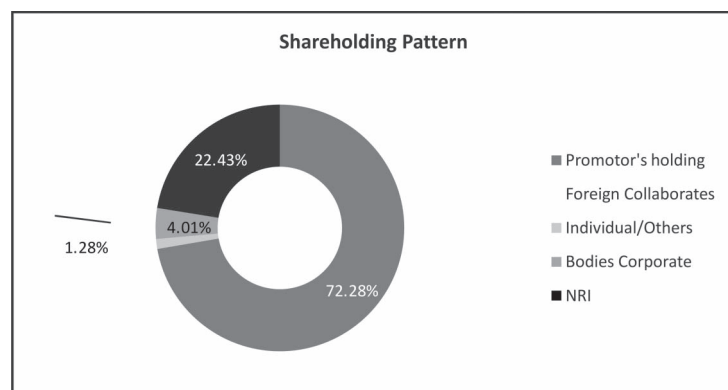
Table 1 and 2 gives details about the shareholding pattern and the distribution of Company's Shares.

**Table-1 (Distribution of shareholders as on 31<sup>st</sup> March 2015)**

No. of Equity Shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1 - 5000	436	96.89	88,281	1.41
5001-10000	0.00	0.00	0.00	0.00
10001-20000	1	0.22	11,700	0.19
20001-50000	1	0.22	28,600	0.46
50001-100000	4	0.89	294,600	4.72
100001 and above	8	1.78	5,816,819	93.22
<b>TOTAL</b>	<b>450</b>	<b>100.00</b>	<b>6,240,000</b>	<b>100.00</b>

**Table-2 (Shareholding Pattern as on 31<sup>st</sup> March 2015)**

Category	No. of Shares	Percentage
Promoter's holding	4,510,106	72.28
Foreign Collaborators	-	-
Individual / Others	79,977	1.28
Bodies Corporate	249,917	4.01
NRI	1,400,000	22.43
<b>TOTAL</b>	<b>6,240,000</b>	<b>100.00</b>



**k) Dematerialization of shares and liquidity:** 99.24 % of the paid-up Capital has been dematerialized as on 31.03.2015.

**l) Plant location**

The Company's plants are located at:

1. Leather Gloves/Goods  
Plot No.1666, Zone -9,  
Kolkata Leather Complex,  
Bantala, 24 Parganas (South)  
Pin – 743 502
2. Industrial Work Garments/Knitted Gloves  
34 B & C, C. N. Roy Road,  
Kolkata-700 039
3. Nitrile Dipped Gloves & Garment,  
Plot No.35 & 36, Sector-1,  
FSEZ, Falta, 24 Parganas (South)  
West Bengal
4. Industrial Safety Shoes  
Plot No.32, Sector-3A  
Integrated Industrial Estate  
Haridwar-249 403, Uttarkhand

**m) Address for correspondence**

Registered office:  
EN-12, Sector-V, Salt Lake City,  
Kolkata-700091  
Tel: (033) 4016-1000  
Fax: (033) 4016-1010  
E-mail: mallcom@mallcom.in

The shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DP).

Place: Kolkata	For and on behalf of the Board
Date: 30 <sup>th</sup> May, 2015	<b>A. K. Mall</b> Chairman & Managing Director

## CEO/CFO CERTIFICATION

To  
The Board of Directors  
Mallcom (India) Ltd

Dear Sir(s),

This is to certify that;

- a) We have reviewed financial statements for the F.Y. ended on 31<sup>st</sup> March 2015 and the cash flow statement for the year and that to the best of our knowledge and belief:-
  - 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 copy 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 which are fraudulent, illegal or violative of the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control of the company and we have disclosed to the auditors

and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- d) We have indicated to the auditors and the Audit Committee:
  - i. Significant changes in internal control during the year, whenever applicable;
  - ii. That there were no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. That there were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having such significant role in the company's internal control system.
- e) We further declare that all board members and senior managerial personnel have affirmed compliance with the code of conduct for the current year.

For Mallcom (India) Ltd  
**A. K. Mall**  
Chairman & Managing Director

For Mallcom (India) Ltd  
**S. S. Agrawal**  
Chief Financial Officer

Place: Kolkata  
Date: 30<sup>th</sup> May, 2015

## CODE OF CONDUCT

### DECLARATION

As provided under Clause 49 of the Listing Agreement with the stock exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March 2015.

For Mallcom (India) Ltd  
**A. K. Mall**  
Chairman & Managing Director  
Place: Kolkata  
Dated: 30<sup>th</sup> May, 2015

## CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
**Mallcom (India) Ltd**

I have examined the compliance of conditions of Corporate Governance by Mallcom (India) Limited., for the year ended 31st March, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreements.

I have to state that as per the records maintained by the Company, there were no investor grievances remaining unattended pending for more than 30 days.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Practising Company Secretary  
**Anju Agarwal**  
[ACS No. 25188]  
[M.No.14376]

Place: Kolkata  
Dated: 30<sup>th</sup> May, 2015

## INDEPENDENT AUDITORS' REPORT on the standalone statements

To  
The Members of  
Mallcom (India) Limited

We have audited the accompanying standalone financial statements of **Mallcom (India) Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are responsible and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Basis for Qualified Opinion

No provision has been made for Leave Benefits to employees in accordance with Accounting Standard 15. The impact of the same is unascertainable on the profit and corresponding liabilities for the year.

### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements subject to our comments stated in basis for qualified opinion paragraph the impact of which is currently unascertainable, 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 31<sup>st</sup> March 2015, and its profit and its cash flows for the year ended on that date.

### Other Matters

The company has not disclosed the composition of Defined Benefit Obligations, Fair Value of Planned Assets, Actuarial



assumptions used etc. for Gratuity as required by Accounting Standard-15, Employee Benefits.

Our opinion is not qualified in respect of this matter.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act we report that :
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except for the information stated in 'Other Matters' paragraph.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except for Accounting Standard -15 regarding making provision for Leave Benefits in accordance with the said Accounting Standard.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) 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 impact of pending litigations on the financial position of the company has been disclosed in its financial statements as referred to in Note 31 to the Financial Statements.
  - ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There was no amount which was required to be transferred to the Investor Education and Protection Fund by the Company.

**For Doshi, Chatterjee, Bagri & Co.**

Chartered Accountants

Firm's Registration No: 325197E

**Mridula Jhunjunwala**

Partner

Membership No.56856

Kolkata

Date: 30th May, 2015

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF MALLCOM (INDIA) LIMITED AS AT AND FOR THE YEAR ENDED MARCH 31, 2015)

- |  |  |
|--|--|
| <p>(i) a) The Company has maintained records of Fixed Assets showing full particulars including quantitative details and situation thereof.</p> <p>b) The Fixed Assets of the company have been physically verified by the management during the year at reasonable intervals and no material discrepancies have been noticed on such verification.</p> <p>(ii) a) The management has conducted physical verification of inventory at reasonable intervals during the year.</p> <p>b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.</p> <p>c) The Company is maintaining proper records of inventory. As informed, the discrepancies noticed on such physical verification have been properly dealt within the accounts.</p> <p>(iii) a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly paragraph 3 (iii) (a) and (b) of the order is not applicable.</p> <p>(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the</p> | <p>sale of goods. During the course of our audit, we have not observed any major weakness in the underlying internal controls.</p> <p>(v) The Company has not accepted any deposits from the public. Accordingly, paragraph 3 (v) of the Order is not applicable</p> <p>(vi) We have broadly reviewed the cost records maintained by the applicable units of the company prescribed under section 148(1) of Companies Act 2013 and are of the opinion that, prima facie, the prescribed accounts and records have been maintained. We, however, have not made a detailed examination of such records with a view to determine whether they are accurate or complete.</p> <p>(vii) a) As explained to us, the statutory dues payable by the Company comprises provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax/ value added tax, wealth-tax, service tax, excise duty, customs duty and cess. According to the records of the Company and information and explanations given to us, the Company has generally been regular in depositing the aforesaid undisputed statutory dues with the appropriate authorities. No undisputed amounts payable in respect of aforesaid statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.</p> <p>b) According According to the records of the Company and the information and explanation given to us, there are no dues outstanding in respect of income tax, sales tax, wealth tax, service tax, excise duty and cess on account of any dispute except for the following:</p> |
|--|--|

Name of Statute	Nature of Dues	Amount Rs.	Forum where dispute is pending
The West Bengal Sales Tax Act, 1994	Sales Tax	6,98,000	WBST Appellate & Revisional Board, Commercial Taxes, Kolkata
The West Bengal Sales Tax Act, 1994	VAT	73,08,000	WB VAT Appeal Commercial Taxes, Kolkata
Income Tax Act	Income Tax demand	179,57,840	CIT (Appeal)

- c) There was no amount which was required to be transferred to the Investor Education and Protection Fund by the Company.
- (viii) The Company has no accumulated losses at the end of the financial year. It has not incurred cash losses in the current financial year as well as in the immediately preceding financial year.
- (ix) According to the information and explanations given to us, the company has not defaulted in repayment of dues to the bank.
- (x) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from banks or financial institutions. In our opinion and according to the information and explanations given to us, the terms and conditions of these guarantees are prima-facie not prejudicial to the interest of the company.

- (xi) The term loan taken by the company has been applied for the purpose for which it was obtained.
- (xii) Based upon the audit procedures performed, information and explanations given, and records and documents produced to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended 31st March 2015.

**For Doshi, Chatterjee, Bagri & Co.**  
Chartered Accountants  
Firm's Registration No: 325197E  
**Mridula Jhunjunwala**  
Partner  
Membership No.56856

Kolkata  
Date: 30<sup>th</sup> May, 2015



**STATEMENT OF PROFIT & LOSS** for the year ended 31<sup>st</sup> March, 2015

Amount in (Rs.)

Sl. No.	Particulars	Note No.	31-Mar-2015	31-Mar-2014
I	Revenue from operations	18	2,649,070,552	2,181,330,068
II	Other Income	19	3,721,831	1,903,100
III	<b>Total Revenue (I+II)</b>		<b>2,652,792,383</b>	<b>2,183,233,169</b>
IV	<b>Expenses:</b>			
	Cost of materials consumed	20A	1,722,387,570	1,425,201,822
	Purchase of Stock-in-Trade	20B	590,835,678	403,632,103
	Increase in inventories of finished goods and work-in-progress	21	(30,196,159)	(23,146,805)
	Employee Benefits Expense	22	76,634,347	70,504,171
	Finance Costs	23	33,568,941	38,354,577
	Depreciation and Amortization Expenses	24	41,579,535	27,654,522
	Other Expenses	25	130,535,762	173,199,352
	<b>Total Expenses (IV)</b>		<b>2,565,345,674</b>	<b>2,115,399,742</b>
V	<b>Profit before exceptional and extraordinary items and tax (III - IV)</b>		<b>87,446,710</b>	<b>67,833,427</b>
VI	Exceptional and Extraordinary Items		-	-
VII	<b>Profit before tax (V - VI)</b>		<b>87,446,710</b>	<b>67,833,427</b>
VIII	Less: Tax expense			
	(1) Current tax		33,000,000	19,467,000
	(2) Deferred tax		1,295,760	1,012,380
	(3) Income Tax for earlier years		1,804,532	2,340,379
			36,100,292	22,819,759
IX	<b>Profit for the period (VII - VIII)</b>		<b>51,346,418</b>	<b>45,013,668</b>
X	Earnings per equity share (Nominal Value per share Rs 10)			
	(1) Basic	28	8.23	7.21
	(2) Diluted	28	8.23	7.21
	<b>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>	1		

The Notes referred to above form an integral part of the Financial Statements.  
In terms of our attached report of even date.

**Doshi, Chatterjee, Bagri & Co.**  
Chartered Accountants  
Firm Registration No. 325197E  
**Mridula Jhunjhunwala**  
Partner  
Membership No. 56856

Place: Kolkata  
Date: 30th May 2015

**For and on behalf of the Board**

**A.K.Mall** **G. Mall**  
Managing Director Director

**Nidhi Agarwal** **S.S.Agrawal**  
Company Secretary Chief Financial Officer

**CASH FLOW STATEMENT** for the year ended 31<sup>st</sup> March, 2015

Amount in (Rs.)

Particulars	Year ended	
	31-Mar-2015	31-Mar-2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Taxation and Extraordinary Items	87,446,707	67,833,426
<b>Adjustment for :</b>		
Depreciation	41,579,535	27,654,522
Interest Expenses	26,228,520	31,827,877
Sundry Balances written off	183,961	-
Irrecoverable debts written off	1,473,259	-
Dividend Income	-	(10,152)
Interest Expenses	(134,408)	(944,739)
Profit on Sale of Fixed Assets/Investment	(1,032,311)	(394,725)
Unspent Liability & unclaimed balances Written Back	(623,200)	
<b>Operating Profit before Working Capital Changes</b>	<b>155,122,064</b>	<b>125,966,209</b>
Movements in Working Capital		
Decrease/(Increase) in Inventories	(26,305,390)	(152,802,616)
Decrease/(Increase) in Trade Receivables, Advances and Other Assets	85,655,894	(145,623,753)
Increase/(decrease) in Trade Payable and other liabilities	105,910,010	131,974,264
<b>Cash generated from Operations</b>	<b>320,382,578</b>	<b>(40,485,896)</b>
Direct Taxes paid( net of Refunds)	40,326,599	21,807,379
<b>Net Cash from Operating Activities</b>	<b>280,055,979</b>	<b>(62,293,275)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Dividend Received	-	10,152
Interest Income	134,408	944,739
Purchase of Fixed Assets	(34,570,515)	(20,775,502)
Expenditure on Capital WIP	(22,721,374)	(26,972,174)
Purchase/ (Sale) of Investments	(49,569,572)	2,933,478
<b>Net cash used in investing activities</b>	<b>(106,727,054)</b>	<b>(43,859,307)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>Inflow:</b>		
Repayment of Borrowings	(131,809,657)	146,537,573
Interest Paid	(26,228,520)	(31,827,877)
Dividend paid (including dividend distribution tax)	(10,950,732)	(10,950,732)
<b>Net Cash used in Financing activities</b>	<b>(168,988,909)</b>	<b>103,758,964</b>
<b>Net Increase/(Decrease) in cash or cash equivalents (A+B+C)</b>	<b>4,340,016</b>	<b>(2,393,618)</b>
Cash or Cash equivalents at the beginning of the year	4,219,830	6,613,448
Cash or Cash equivalents at the end of the year	8,559,846	4,219,830

**Doshi, Chatterjee, Bagri & Co.**

 Chartered Accountants  
 Firm Registration No. 325197E

**Mridula Jhunjunwala**

 Partner  
 Membership No. 56856

Place: Kolkata

Date: 30th May 2015

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

**G. Mall**  
 Director

**Nidhi Agarwal**  
 Company Secretary

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

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2015

### Note 1: Corporate Information

Mallcom (India) Ltd., domiciled in India, was incorporated in the year 1983 under Companies Act 1956. The company is one of the established manufacturer – exporter of Personal Protective Equipments. It has a long track record in the Industrial Safety Products category.

### Note 1.1: Statement of Significant Accounting Policies

#### Basis for preparation of Financial Statements

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India and comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014. The 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 preparation of the financial statements in conformity with Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of financial statements and income and expenses for the reporting period. Estimates and assumptions are reviewed on an ongoing basis.

The Accounting Policies in all material aspects, have been consistently applied by the company and are consistent with those used in the previous year except otherwise stated.

The significant accounting policies followed by the Company are stated below:

#### i) Revenue recognition

##### Sale of goods

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

##### Export Incentives

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 are fulfilled.

#### Interest

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

#### Dividend

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

#### ii) Fixed Assets

Fixed Assets are stated at cost less depreciation and impairment loss, if any, except in case of land, which is shown at, cost including the cost of development, which is capitalised. Cost comprises the purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use.

Depreciation on Tangible Fixed Assets is provided over the estimated useful life as specified in Schedule II of the Companies Act, 2013 on Written Down Value Method except in case of assets of Nitrile Dipped Gloves division where the depreciation is provided on straight line basis.

Depreciation on additions/disposals during the year is provided on pro-rata basis with reference to the date of addition /disposal.

Intangible assets are amortised over useful life not exceeding 3 years.

(Refer Note 26 on Depreciation)

#### iii) Expenditure on New/Expansion Projects

Expenditure directly relating to the construction activity is capitalized. Pre operative and indirect expenditure incurred during construction period is capitalized as part of indirect construction cost to the extent to which the expenditure is related to the construction or is incidental thereto. Income attributable to the project is deducted from the total of such expenditure.

#### iv) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of

**Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2015 (Contd.)**

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.

**v) 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.

**vi) Inventories**

Raw Materials, Stores and spares 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. Finished Goods and work-in-progress 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.

**vii) Employee Benefits**
**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 upto 60 days. No provision for leave benefits is made.

**Post Employment Benefits**
**(a) 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.

**(b) 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.

**viii) Leases**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease rentals are recognized as an expense in the Statement of Profit and Loss.

**ix) Borrowing Cost**

Borrowing Costs relating to acquisition/construction of qualifying assets are capitalized until the time of substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

**x) 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 amortised as expense



**Notes to the Financial Statements** for the year ended 31<sup>st</sup> March, 2015 (Contd.)

or income over the life of the contract. Exchange differences on such contracts are recognised 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.

**xi) Accounting for Taxes on Income**

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

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

**xii) Earnings Per Share**

Basic Earning 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.

**xiii) Provisions & Contingent Liabilities**

A provision is 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.

**Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2015 (Contd.)**
**Note : 2 Share Capital**

Amount in (Rs.)

Sr. No	Particulars	31-Mar-2015	31-Mar-2014
1	<b>AUTHORIZED CAPITAL</b>		
	10,000,000 (10,000,000) Equity Shares of Rs. 10/- each.	100,000,000	100,000,000
		<b>100,000,000</b>	<b>100,000,000</b>
2	<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b>		
	6,240,000 Equity Shares of Rs. 10 each fully paid up	62,400,000	62,400,000
	<b>Total</b>	<b>62,400,000</b>	<b>62,400,000</b>

**A Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**  
**Equity Shares**

Particulars	31-Mar-2015		31-Mar-2014	
	No.	Rs.	No.	Rs.
At the beginning of the reporting period	6,240,000	62,400,000	6,240,000	62,400,000
Issued during the period	-	-	-	-
Outstanding at the end of the reporting period	<b>6,240,000</b>	<b>62,400,000</b>	<b>6,240,000</b>	<b>62,400,000</b>

**B Terms/rights attached to equity shares**

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. 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. Shareholders are entitled for dividend if any declared by the Company. During the year dividend payout of Rs.1.50 (P.Y. Rs. 1.50) per equity share of Rs.10/-each is proposed.

**C The company has issued 34,20,000 shares as fully paid Bonus Shares since incorporation.**
**D Details of shareholders holding more than 5% shares in the company**

Particulars	31-Mar-2014		31-Mar-2014	
	No.	% Holding	No.	% Holding
AJAY KUMAR MALL	1,100,820	17.64	1,100,820	17.64
KADAMBINI SECURITIES PRIVATE LIMITED.	2,142,986	34.34	2,142,986	34.34
JAY KUMAR DAGA	1,400,000	22.44	1,400,000	22.44
MALLCOM HOLDINGS PRIVATE LIMITED	597,600	9.58	597,600	9.58

As per the records of the company, the above shareholding represents both legal and beneficial ownership of the shares.

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2015 (Contd.)

### Note : 3 Reserve & Surplus

Amount in (Rs.)

Sr. No	Particulars	31-Mar-2015	31-Mar-2014
1	Securities Premium Reserve		
	As per last Financial Statement	51,100,000	51,100,000
2	Revaluation Reserve		
	As per last Financial Statement	40,148,906	40,148,906
3	General Reserve		
	As per last Financial Statement	318,355,014	284,355,014
	Less: Adjustment for Depreciation (Refer Note 26)	7,800,502	-
	Add: Transferred from Surplus in the Statement of Profit and Loss	40,000,000	34,000,000
	Closing Balance	350,554,512	318,355,014
4	Surplus in the statement of profit and loss		
	As per last Financial Statement	833,667	770,732
	Add: Net Profit for the year	51,346,418	45,013,668
	Profit available for Appropriation	52,180,085	45,784,400
	Appropriations:		
	Proposed Dividend	9,360,000	9,360,000
	Tax on Proposed Dividend	1,905,509	1,590,732
	Transfer to General Reserve	40,000,000	34,000,000
	Closing Balance	914,576	833,667
	<b>Total</b>	<b>442,717,994</b>	<b>410,437,587</b>

### Note : 4 Long Term Borrowings

Amount in (Rs.)

Sr. No	Particulars	31-Mar-2015	31-Mar-2014
1	<b>Unsecured</b>		
	Inter Corporate Loans (From Related Parties)	15,911,448	109,198,667
	<b>Total</b>	<b>15,911,448</b>	<b>109,198,667</b>

The loan carries an interest of 12% and is repayable after April 2017.

### Note : 5 Long Term Provisions

Amount in (Rs.)

Sr. No	Particulars	31-Mar-2015	31-Mar-2014
1	<b>Provision for Employee Benefits:</b>		
	Gratuity	1,614,352	-
	<b>Total</b>	<b>1,614,352</b>	<b>-</b>

**Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2015 (Contd.)**
**Note : 6 Deferred Tax Liabilities**

Amount in (Rs.)

Sr. No	Particulars	31-Mar-2015	31-Mar-2014
	<b>Deferred Tax Liabilities</b>		
1	Timing differences on account of depreciation	356,747	3,077,637
	<b>Total</b>	<b>356,747</b>	<b>3,077,637</b>

**Note : 7 Short Term Borrowings**

Amount in (Rs.)

Sr. No	Particulars	31-Mar-2015	31-Mar-2014
	<b>Secured</b>		
1	Loan from Banks		
	a) Export Packing Credit	10,516,146	148,836,124
	b) Packing Credit Foreign Currency Loan	442,332,464	261,370,785
	c) Postshipment Foreign Currency Loan	-	81,164,138
	<b>Total</b>	<b>452,848,610</b>	<b>491,371,047</b>

**Export Packing Credit/ PCFC/PSFC Loan [a+b+c]**

[Secured by hypothecation of entire stock, receivables and entire fixed assets both present and future (excluding Land & Building) and Personal guarantee of Managing Director.]

**Note : 8 Trade Payables**

Amount in (Rs.)

Sr. No	Particulars	31-Mar-2015	31-Mar-2014
1	Trade Payables (Refer Note 32 for details of dues to Micro and Small Enterprises)	290,541,312	240,124,215
	<b>Total</b>	<b>290,541,312</b>	<b>240,124,215</b>

**Note : 9 Other Current Liabilities**

Amount in (Rs.)

Sr. No	Particulars	31-Mar-2015	31-Mar-2014
1	Advance From Customers	113,060,171	61,917,807
2	Book Overdraft	13,591,328	5,528,341
3	Sundry Creditor for Services and Expenses	9,281,222	15,590,611
4	Statutory Liabilities	2,365,393	1,382,795
	<b>Total</b>	<b>138,298,114</b>	<b>84,419,554</b>

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2015 (Contd.)

### Note : 10 Short Term Provisions

Amount in (Rs.)

Sr. No	Particulars	31-Mar-2015	31-Mar-2014
1	Provision for Income Tax [Net of Advances]	-	1,365,111
2	Proposed Dividend	9,360,000	9,360,000
3	Tax on Proposed Dividend	1,905,509	1,590,732
	<b>Total</b>	<b>11,265,509</b>	<b>12,315,843</b>

### Note : 11 Fixed Asset

Amount in (Rs.)

Sr. No	Particulars	Gross Block					Depreciation				Net Block	
		As at 31st April, 2014 (Rs.)	Addition during the year	Deduction during the year	As at 31st March, 2015 (Rs.)	Upto 31st March, 2014 (Rs.)	Charge for the year (Rs.)	On Disposal (Rs.)	Adjustment during the year* (Rs.)	Upto 31st March, 2015 (Rs.)	As at 31st March, 2015 (Rs.)	As at 31st March, 2014 (Rs.)
<b>I</b>	<b>Tangible Assets</b>											
1	Lease Hold Property	1,440,000	-	-	1,440,000	-	-	-	-	-	1,440,000	1,440,000
2	Land	45,952,398	-	-	45,952,398	-	-	-	-	-	45,952,398	45,952,398
3	Building	112,831,770	1,370,358	-	114,202,128	54,612,135	5,860,321	-	991,743	59,480,712	54,721,416	58,219,635
4	Plant and Equipments	257,301,139	31,014,178	2,889,025	285,426,292	142,710,386	25,817,368	1,473,454	8,879,646	175,933,945	109,492,347	114,590,753
5	Electrical Installations	19,440,130	43,920	-	19,484,050	11,892,531	1,519,287	-	1,124,903	14,536,721	4,947,329	7,547,599
6	Mould & Dies	29,526,369	922,545	-	30,448,914	23,262,395	980,751	-	600,163	24,843,309	5,605,605	6,263,974
7	Furniture & Fixtures	18,003,425	994,408	-	18,997,833	11,880,690	2,290,131	-	370,201	14,541,022	4,456,811	6,122,735
8	Vehicles (Cars)	7,713,633	769,349	592,209	7,890,773	4,745,105	1,180,973	466,213	27,912	5,487,777	2,402,996	2,968,528
9	Office Equipments	17,134,654	834,406	-	17,969,060	11,716,306	3,909,217	-	1,806,070	17,431,593	537,467	5,418,348
	<b>SUB TOTAL (A)</b>	<b>509,343,518</b>	<b>35,949,164</b>	<b>3,481,234</b>	<b>541,811,448</b>	<b>260,819,548</b>	<b>41,558,047</b>	<b>1,939,667</b>	<b>11,817,152</b>	<b>312,255,079</b>	<b>229,556,369</b>	<b>248,523,970</b>
<b>II</b>	<b>Intangible Assets</b>											
1	Computer Software	5,884,342	706,205	-	6,590,547	4,839,280	21,488	-	-	4,860,768	1,729,779	1,045,062
	<b>SUB TOTAL (B)</b>	<b>5,884,342</b>	<b>706,205</b>	<b>-</b>	<b>6,590,547</b>	<b>4,839,280</b>	<b>21,488</b>	<b>-</b>	<b>-</b>	<b>4,860,768</b>	<b>1,729,779</b>	<b>1,045,062</b>
	<b>Total [A + B]</b>											
	(Current Year)	515,227,860	36,655,369	3,481,234	548,401,995	265,658,828	41,579,535	1,939,667	11,817,152	317,115,847	231,286,148	249,569,032
	(Previous Year)	495,346,075	22,443,030	2,561,245	515,227,860	239,292,749	27,654,522	1,288,443	-	265,658,828	249,569,032	

\* Refer Note 26

**Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2015 (Contd.)**
**Note : 12 Non-Current Investment**

Amount in (Rs.)

Sr. No.	Particulars	31-Mar-2015	31-Mar-2014
1	Investment in Equity Shares		
	<b>Quoted</b>		
	IFCI Limited 1000 Shares (1000 Shares)	73,716	73,716
	Tata Steel Limited Nil Shares (282 Shares)	-	150,400
	Nagarjuna Fertilizers Limited 1000 Shares (1000 Shares)	34,350	34,350
	Shri Vardhaman Overseas Limited 400 Shares (400 Shares)	20,000	20,000
	[A]	128,066	278,466
	<b>Unquoted</b>		
	Mallcom VSFT Glaves Pvt. Ltd. 4020900 Shares (Nil)	40,209,000	-
	Mallcom Safety Private Limited 1000000 Shares (1000000 Shares)	10,000,000	10,000,000
	Mallcom Safety Equipments Private Limited 423055 Shares (423055 Shares)	4,230,550	4,230,550
		54,439,550	14,230,550
2	Investment in Mutual Fund (unquoted)		
	Birla Sunlife Short term Opportunities Fund (472217.13 units)	10,000,000	-
3	6 years National Savings Certificate	6,000	6,000
	[Lying with Sales Tax Authorities]		
	<b>Total</b> [A+B+C]	<b>64,573,616</b>	<b>14,515,016</b>
	<b>Aggregate amount of Quoted Investment</b>	<b>128,066</b>	<b>278,466</b>
	<b>Aggregate Market Value of Quoted Investment</b>	<b>49,730</b>	<b>174,944</b>
	<b>Aggregate amount of Unquoted Investment</b>	<b>64,445,550</b>	<b>14,230,550</b>
	<b>Aggregate Repurchase price of units of Mutual Fund</b>	<b>10,922,382</b>	<b>-</b>

**Note : 13 Long Term Loans and Advances**

Amount in (Rs.)

Sr. No.	Particulars	31-Mar-2015	31-Mar-2014
1	Security Deposit (Unsecured and Considered Good)		
	Earnest Money Deposit	35,794	102,697
	Other Deposits	15,917,278	15,309,078
2	Loan to Employees (Unsecured and Considered Good)	750,142	1,436,519
	<b>Total</b>	<b>16,703,214</b>	<b>16,848,294</b>

**Note : 14 Inventories**

Amount in (Rs.)

Sr. No.	Particulars	31-Mar-2015	31-Mar-2014
1	Raw Material (including Goods in Transit Rs 14,33,418 (Rs 310,40,514 )	260,268,276	251,841,780
2	Work-in-Progress	77,593,044	53,383,090
3	Finished Goods	51,674,389	45,688,183
4	Stores & Spares	43,616,514	55,933,779
	<b>Total</b>	<b>433,152,222</b>	<b>406,846,832</b>

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2015 (Contd.)

### Note : 15 Trade Receivables

Amount in (Rs.)

Sr. No	Particulars	31-Mar-2015	31-Mar-2014
1	Unsecured, Considered Good :		
	(a) Outstanding for a period exceeding 6 months from the day they are due for payment	6,524,690	5,583,603
	(b) Other Receivables	280,876,851	332,973,416
	<b>Total</b>	<b>287,401,541</b>	<b>338,557,019</b>

### Note : 16 Cash & Cash Equivalent

Amount in (Rs.)

Sr. No	Particulars	31-Mar-2015	31-Mar-2014
1	Cash-in-Hand	1,392,916	1,898,315
	<b>Sub Total (A)</b>	<b>1,392,916</b>	<b>1,898,315</b>
2	Balance with banks:		
	In Current Account	6,823,848	1,684,236
	In Fixed Deposit	343,083	637,279
	<b>Sub Total (B)</b>	<b>7,166,931</b>	<b>2,321,515</b>
	<b>Total [A+B]</b>	<b>8,559,846</b>	<b>4,219,830</b>

### Note :17 Short Terms Loans and Advances

Amount in (Rs.)

Sr. No	Particulars	31-Mar-2015	31-Mar-2014
1	Unsecured, Considered Good :		
	Advances recoverable in cash or in kind*	55,068,775	24,235,509
	Advance to Suppliers	69,368,637	143,476,907
	Advance Income Tax (net of provisions)	4,156,956	-
	Balance with Revenue Authorities	191,959,913	186,142,859
	Prepaid Expenses	2,099,482	1,114,665
	Staff Advances**	1,930,188	846,412
	<b>Total</b>	<b>324,583,950</b>	<b>355,816,351</b>

\* Includes amount receivable from Related Parties

45,106,115 20,671,225

\*\* Includes amount receivable from Managing Director

501,610 489,853

**Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2015 (Contd.)**
**Note : 18 Revenue from Operations**

Amount in (Rs.)

Sr. No	Particulars	2014-15	2013-14
1	Sale of Finished Goods	22,751,856,621	1,933,854,446
2	Sale of Traded Goods	224,272,961	111,958,310
3	Export Incentives	149,611,929	135,517,312
	<b>Total</b>	<b>2,649,070,552</b>	<b>2,181,330,068</b>

**Sale of Finished Goods**

Amount in (Rs.)

Sr. No	Particulars	31-Mar-2015	31-Mar-2014
1	Leather Gloves*	1,013,198,708	857,510,725
2	Textile Garments**	448,541,994	326,926,950
3	Nitrile Dipped Gloves	290,780,366	332,047,532
4	Safety Shoes	352,293,321	278,767,888
5	Fabric	16,616,291	-
6	Shoe Upper	84,487,158	71,918,128
7	Stock Sale	33,133,919	-
8	Knitted Gloves	8,615,711	10,553,164
9	Helmet	1,320,677	-
10	Raw Hide/Leather	24,472,796	50,068,743
11	Accessories	9,635	1,916,250
12	Face-Mask	1,805,087	4,145,066
		<b>2,275,185,662</b>	<b>1,933,854,446</b>

\* Includes sale of purchased leather gloves

\*\* Includes sale of purchased textile garments

**Sale of Traded Goods**

Amount in (Rs.)

Sr. No	Particulars	31-Mar-2015	31-Mar-2014
1	Safety Shoes	125,756,354	55,397,537
2	Nitrile Dipped Gloves	75,799,602	-
3	Edible Oil	-	4,545,173
4	Knitted Gloves	22,717,005	52,015,600
5	Leather gloves	-	-
		<b>224,272,961</b>	<b>111,958,310</b>



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2015 (Contd.)

### Note : 19 Other Income

Amount in (Rs.)

Sr. No	Particulars	2014-15	2013-14
1	Interest	134,408	944,739
2	Dividend on Non Current Investments	-	10,152
3	Gain on Foreign Exchange Fluctuation (Net)	1,534,176	-
4	Profit on Sale of Non Current Investment	489,027	169,711
5	Profit on Sale of Fixed Assets	543,284	225,014
6	Unspent Liabilities & Unclaimed Balances Written Back	623,200	-
7	Other Receipts	397,736	553,484
	<b>Total</b>	<b>3,721,831</b>	<b>1,903,100</b>

### Note : 20A Cost of Materials Consumed

Amount in (Rs.)

Sr. No	Particulars	2014-15	2013-14
<b>(a)</b>	<b>Opening Stock</b>	307,775,559	178,119,748
	Purchases of Raw Materials and Stores		
	1 Raw Materials	1,364,229,913	1,304,420,190
	2 Stores & Consumables	135,889,351	114,308,650
	3 Packing Materials	32,514,931	18,687,187
		<b>1,532,634,195</b>	<b>1,437,416,027</b>
	<b>Closing Stock</b>	<b>303,884,790</b>	<b>307,775,559</b>
<b>(b)</b>	<b>Fabrication &amp; Processing Charges</b>	<b>185,862,606</b>	<b>117,441,606</b>
	Cost of Materials Consumed - in Rs.	<b>1,722,387,570</b>	<b>1,425,201,822</b>

### Closing Stock of Raw Materials

Amount in (Rs.)

Sr. No	Particulars	2014-15	2013-14
1	Fabric	101,299,901	86,742,626
2	Leather	102,830,695	116,937,327
3	Others	56,137,680	48,161,827
		<b>260,268,276</b>	<b>251,841,780</b>

### Note : 20 B Purchase of Traded Goods

Amount in (Rs.)

Sr. No	Particulars	2014-15	2013-14
1	Knitted Gloves	22,300,534	50,972,754
2	Safety Shoes	121,868,460	57,104,387
3	Edible Oil	-	4,337,139
4	Nitrile dipped gloves	74,841,799	-
5	Leather Gloves	371,261,577	289,809,095
6	Textile Garments	563,308	-
7	Helmets	-	1,408,728
		<b>590,835,677</b>	<b>403,632,103</b>

**Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2015 (Contd.)**
**Note : 21 Increase/Decrease in Inventories of Finished Goods & Work in Progress**

Amount in (Rs.)

Sr.No.	Particulars	31-Mar-2015		31-Mar-2014	
1	Inventories at the beginning of the year				
	Work-in-Progress	53,383,090		49,649,934	
	Finished Goods	45,688,183		26,274,534	
			99,071,273		75,924,468
2	Inventories at the end of the year				
	Work-in-Progress	77,593,044		53,383,090	
	Finished Goods	51,674,389		45,688,183	
			129,267,432		99,071,273
	<b>TOTAL</b>	-	<b>30,196,159</b>	-	<b>23,146,805</b>

Sr.No.	Particulars	31-Mar-2015	31-Mar-2014
	<b>Finished Goods</b>		
1	Leather Gloves	2,163,857	3,465,860
2	Leather	11,951,305	-
3	Textile Garments	1,886,487	6,942,386
4	Nitrile Dipped Gloves	-	13,213,953
5	Safety Shoes	12,729,685	6,047,241
6	Shoe Upper	21,150,453	13,317,782
7	Face-Mask	290,442	2,700,961
8	Helmets	1,502,160	-
		<b>51,674,389</b>	<b>45,688,183</b>
	<b>Work-in-progress</b>		
1	Leather Gloves	22,767,630	11,860,332
2	Leather	7,007,840	-
3	Textile Garments	26,540,511	16,226,213
4	Knitted Gloves	-	135,594
5	Nitrile Dipped Gloves	-	6,261,913
6	Safety Shoes	2,665,600	2,085,689
7	Shoe Uppers	15,777,012	16,813,350
8	Face Mask	2,834,451	
		<b>77,593,044</b>	<b>53,383,090</b>

**Note : 22 Employment Benefit Expenses**

Amount in (Rs.)

Sr. No	Particulars	2014-15	2013-14
1	Salaries, Wages and Bonus	68,118,349	63,597,513
2	Contribution to Provident and Other Funds	4,421,354	3,984,328
3	Contribution to Gratuity Fund	2,264,352	70,000
4	Staff Welfare Expenses	1,830,292	2,852,330
	<b>Total</b>	<b>76,634,347</b>	<b>70,504,171</b>

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2015 (Contd.)

### Note : 23 Financial Cost

Amount in (Rs.)

Sr.No.	Particulars	2014-15	2013-14
1	Interest	26,228,520	31,827,877
2	Other Finance Charges	7,340,421	6,526,700
	<b>Total</b>	<b>33,568,941</b>	<b>38,354,577</b>

### Note : 24 Depreciation and Amortisation Expenses

Amount in (Rs.)

Sr. No	Particulars	2014-15	2013-14
1	Depreciation of Tangible Assets	41,558,047	26,620,887
2	Amortization of Intangible Assets	21,488	1,033,635
	<b>Total</b>	<b>41,579,535</b>	<b>27,654,522</b>

### Note : 25 Other Expenses

Amount in (Rs.)

Sr. No	Particulars	2014-15	2013-14
1	Power & Fuel	31,510,955	39,110,953
2	Rent [Including Rs.1,08,632/- for earlier years]	621,137	256,831
3	Insurance	2,682,522	1,704,163
4	Factory Maintenance	9,160,361	7,848,352
5	Repairs to Buildings	642,039	119,050
6	Repairs to Machinery	4,416,783	1,174,737
7	Carriage Outward	1,599,339	1,753,507
8	Freight - Export	24,660,549	20,284,394
9	Terminal Handling Charges - Export	4,840,462	3,257,749
10	Clearing & Forwarding expenses	5,673,428	4,348,984
11	Sales Promotion Expenses	4,309,589	4,773,922
12	Sales Commission	4,791,600	1,762,578
13	Trade Fair Expenses	220,749	1,598,411
14	Other selling expenses	13,703,522	4,516,202
15	Postage, Telephone & Telex	2,598,793	2,794,682
16	Travelling & Conveyance	1,460,378	929,239
17	Printing & Stationery	1,397,590	1,116,457
18	Filing Fees	36,667	29,036
19	Rates & Taxes (inclusive of service tax on reverse charge)	4,074,197	2,904,013
20	Legal and Professional Fees	3,742,762	1,277,977
21	Membership & Subscription	161,805	167,515
22	Directors' Sitting Fees	94,000	63,000
23	Payment to auditors (refer details below)	398,878	84,270
24	Loss on Foreign Exchange Fluctuation (Net)	-	65,244,225
25	Sundry Balances written off	183,961	-
26	Irrecoverable Receivables written off	1,473,259	-
27	Prior Period Expenses	146,336	-
28	Miscellaneous Expenses	5,934,101	6,079,105
	<b>Total</b>	<b>130,535,762</b>	<b>173,199,352</b>
	<b>Payment to Auditor</b>		
	<b>As Auditor:</b>		
	Audit Fee	200,000	40,000
	Tax Audit Fee	50,000	20,000
	Limited Review and Certification Charges	105,000	15,000
	Service Tax Payable	43,878	9,270
		<b>398,878</b>	<b>84,270</b>

**26. Change in accounting estimate**

Effective 01<sup>st</sup> April 2014, the company has revised the Depreciation rates of fixed assets, according to the useful lives specified in Schedule –II of the Companies Act, 2013, resulting into increase in depreciation charge for the year by Rs 103.27 lakhs.

Further written down value of the assets whose useful life has already been exhausted before 1<sup>st</sup> April 2014 amounting to Rs. 78 lakhs (net of deferred tax) have been adjusted against the retained earnings as on 1<sup>st</sup> April 2014.

**27. Related Party Transactions**

<b>(a) Subsidiaries and Associates</b>	<ul style="list-style-type: none"> <li>i) Mallcom Safety Pvt. Ltd [MSPL]</li> <li>ii) Mallcom Safety Equipment Pvt. Ltd [MSEPL]</li> <li>iii) Mallcom VSFT Gloves Pvt. Ltd [VSFT]</li> <li>iv) Kadambini Securities Pvt. Ltd [KSPL]</li> <li>v) Mallcom Holdings Pvt. Ltd [MHPL]</li> <li>vi) Movers Construction Pvt. Ltd [MCPL]</li> <li>vii) Chaturbujh Impex Pvt. Ltd [CIPL]</li> <li>viii) DNB Exim Pvt. Ltd. [DNB]</li> <li>ix) Two Star Tannery Private Limited [TSTPL]</li> </ul>
<b>(b) Key Managerial Personnel</b>	<ul style="list-style-type: none"> <li>i) Mr. Ajay Kumar Mall (Managing Director)</li> </ul>
<b>(c) Relatives of Key Managerial Personnel</b>	<ul style="list-style-type: none"> <li>i) Mr. S.K.Mall</li> <li>ii) Mrs Sunita Mall</li> </ul>

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2015 (Contd.)

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

Rs. in Lakhs

Particulars	Enterprises referred to in (a) above		Key Managerial Personnel (KMP) referred to in (b)		Relatives of Key Managerial referred to in (c) above	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
<b>Transactions with MSPL</b>						
Sale of goods	3,298.25	2,684.55	---	---	---	---
Advance Payable 31.03.2015	154.10	400.83			---	---
<b>Transactions with VSFT</b>						
Purchase of Goods	748.42	---	---	---	---	---
Sale of Goods	331.34	---	---	---	---	---
Receiving of Service	102.00	---	---	---	---	---
Advance Payable 31.03.2015	297.80	---	---	---	---	---
<b>Transactions with DNB</b>						
Purchase of Goods	1,321.07	---	---	---	---	---
Advance Receivable 31.03.2015	193.20	---	---	---	---	---
<b>Transactions with MSEPL</b>						
Advance Receivable	---	206.71	---	---	---	---
<b>Transactions with MCPL</b>						
Advance receivable 31.03.2015	0.51	---	---	---	---	---
Unsecured Loan Payable	---	263.37	---	---	---	---
<b>Transactions with KSPL</b>						
Unsecured Loan Payable	153.21	708.77	---	---	---	---
<b>Transactions with CIPL</b>						
Unsecured Loan Payable	---	119.85	---	---	---	---
<b>Transactions with MHPL</b>						
Unsecured Loan Payable	5.91	---	---	---	---	---
<b>Transactions with Two Star Tannery Private Limited</b>						
Purchase of Goods	1,203.55	764.37	---	---	---	---
Sale of Goods	244.73	426.85	---	---	---	---
Job Charges Paid	79.29	---	---	---	---	---
Advance Receivable	280.77	808.65	---	---	---	---
<b>Transactions with KMP</b>						
Remuneration *	---	---	24.67	20.71	7.61	7.07
Dividend Paid	---	---	16.51	13.21	---	---
<b>Dividend Paid to enterprises in (a) above</b>	45.70	36.55	---	---	---	---
<b>Balance receivable at the year end</b>	473.97	1,015.36	5.02	4.90	3.03	3.03
<b>Balance payable at the year end</b>	611.02	1,492.82	---	---	---	---

\*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.

**Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2015 (Contd.)**
**28. Earnings Per Share**

Amount in (Rs.)

Particulars	2014-15	2013-14
<b>Earning per Share (EPS)</b>		
Net Profit as per statement of Profit and Loss	51,346,418	45,013,667
Weighted average number of Equity Shares outstanding	6,240,000	6,240,000
Earnings per Share (Basic and Diluted) (Rs.)	8.23	7.21
Nominal Value of shares	10	10

**29. Segment Reporting**

Based on the guiding principles given in Accounting Standard on Segment Reporting, (AS-17), 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.

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	2014-15	2013-14
Revenue from Operations:		
Outside India	20,703.22	17,061.05
Within India	4,291.36	3,397.07
Total	24,994.58	20,458.12

(Rs. in Lakhs)

Particulars	2014-15	2013-14
Trade Receivables:		
Outside India	2,837.00	3,315.22
Within India	37.02	70.35
Total	2,874.02	3,385.57

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.

**30. 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.

Amount in (Rs.)

Particulars	2014-15	2013-14
Lease payment for the year	621,137	256,831
Minimum Lease payment not later than 1 year	357,935	357,935
Later than one year but not later than Five years	103,484	103,484
<b>Later than Five years</b>	<b>2,224,906</b>	<b>2,199,035</b>

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2015 (Contd.)

### 31. a. Contingent liabilities not provided for:

Amount in (Rs.)

Particulars	31-Mar-2015	31-Mar-2014
<b>Contingent Liabilities</b>		
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).	129,266,880	66,310,258
Outstanding Bank guarantee issued by State bank of India	Nil	1,00,000
B-17 Bond issued in favor of "Asst. Commissioner of Central Excise, Calcutta" covering the purchase of imported / indigenous capital goods/ raw materials without payment of Custom duty/ Excise Duty with respect to 100% E.O.U. for seamless knitted gloves	25,000,000	25,000,000
B-17 Bond issued in favor of "Deputy Commissioner of Customs, FSEZ", covering the purchase of imported / indigenous capital goods/ raw materials without payment of Custom duty/ Excise Duty with respect to 100% SEZ unit	31,000,000	31,000,000
Sales Tax demand in respect of earlier years, which has been disputed by the Company	8,006,000	8,006,000
Income Tax Demand in respect of earlier years, which has been disputed by the company	17,957,840	11,949,510

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

Particulars	Purpose	Currency	Amount	Cross Currency
Forward Contract	Exports	USD	5,807,648(4,074,338)	Rupees
	Exports	EURO	3,200,000 (507,000)	Rupees

c. Trade Payables includes USD 101228.20 (INR 63,35,873) Previous Year USD 164922.20 (INR 99,84,232) which is naturally hedged against export receivables.

### 32. Micro Small and Medium Enterprises

There were no dues outstanding to the suppliers as on 31.03.2015 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.

33. 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.

34. During the year, Mallcom VSFT Gloves Private Limited has become subsidiary of the company with effect from 31<sup>st</sup> March 2015.

**Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2015 (Contd.)**
**35. Raw Materials, Chemicals and Packing Materials Consumption**

Particulars	31-Mar-2015 Rs in Lakhs	Percentage %	31-Mar-2014 Rs in Lakhs	Percentage %
Raw Material				
Imported	1,310.76	8.50	1,632.72	12.63
Indigenous	14,105.91	91.50	11,295.16	87.37
Total	15,416.67	100.00	12,927.88	100.00
Consumables Stores ,Spares and packing materials				
Imported	387.43	21.44	491.46	37.12
Indigenous	1,419.78	78.56	832.68	62.88
Total	1,807.21	100.00	1,324.14	100.00

**36. Value of Imports calculated on C.I.F Basis**

(Rs. in Lakhs)

Particulars	31-Mar-2015	31-Mar-2014
Raw Materials	1,310.76	1,632.72
Components and Spare Parts	387.43	491.46
Capital goods	145.45	81.36
Total	1,843.64	2,205.54

**37. Expenditure in Foreign Currency**

(Rs. in Lakhs)

Particulars	31-Mar-2015	31-Mar-2014
Sales Commission	47.91	17.62
Sales Claim	14.78	7.55
Sales Promotion Expenses	10.72	8.31
Trade Fair Expenses	2.21	15.98
Travelling Expenses	24.07	22.01
Total	99.69	71.47

**38. Earning in Foreign Currency**

(Rs. in Lakhs)

Particulars	31-Mar-2015	31-Mar-2014
Exports – FOB Basis	2,04,26	1,68,27
Total	2,04,26	1,68,27

39. Estimated amount of Contracts remaining to be executed on capital account and not provided for Rs. 95.15 lacs (PY Rs 245.08 lacs)



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2015 (Contd.)

### 40. Remittance in Foreign Currency on account of Dividend to Non Resident Shareholder

Particulars	31-Mar-2015	31-Mar-2014
Number of Shareholder	1	1
Number of shares held	1,400,000	1,400,000
Net amount of dividend remitted	2,100,000	1,680,000
Amount remitted for	Final dividend for FY 2013-14	Final dividend for FY 2012-13

41. Based on market quotation as on 31<sup>st</sup> March, 2015 there is a diminution in the value of certain non current investments aggregating to Rs. 78,336 (Previous Year Rs. 103,522). However considering the future prospects of the companies the management has considered the diminution to be temporary requiring no provisions.

42. Previous Year's Figures have been regrouped/ rearranged wherever considered necessary.

### Signatories to Notes on Accounts 1 to 42

**Doshi, Chatterjee, Bagri & Co.**  
Chartered Accountants  
Firm Registration No. 325197E  
**Mridula Jhunjunwala**  
Partner  
Membership No. 56856  
Place: Kolkata  
Date: 30th May 2015

### For and on behalf of the Board

<b>A.K.Mall</b> Managing Director	<b>G. Mall</b> Director
<b>Nidhi Agarwal</b> Company Secretary	<b>S.S.Agrawal</b> Chief Financial Officer

## INDEPENDENT AUDITORS' REPORT on the Consolidated Financial Statement

To  
The Members of  
Mallcom (India) Limited

We have audited the accompanying consolidated financial statements of **Mallcom (India) Limited** (herein referred to as "the Holding Company") and its subsidiaries (the holding company and its subsidiaries together referred to as "the group"), comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statement").

### Management's Responsibility for the Financial Statements

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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, selection and application of appropriate accounting policies, making judgments and estimates that are responsible and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are

required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Basis for Qualified Opinion

No provision has been made for Leave Benefits to employees of the holding company in accordance with Accounting Standard 15. The impact of the same is unascertainable on the profit and corresponding liabilities for the year.

### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matter described in the basis for Qualified Opinion paragraph above, the aforesaid consolidated 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 Group as at 31<sup>st</sup> March 2015, and its consolidated profit and its consolidated cash flows for the year ended on that date.

#### Other Matters

The Holding Company has not disclosed the composition of Defined Benefit Obligations, Fair Value of Planned Assets, Actuarial assumptions used etc. for Gratuity as required by Accounting Standard-15, Employee Benefits.

Our opinion is not qualified in respect of this matter.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act based on the comments in the auditor's reports of the Holding Company and Subsidiary Companies, we give in the Annexure 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 except for the information stated in 'Other Matters' paragraph.
  - (b) In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting

Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except for Accounting Standard -15 regarding making provision for Leave Benefits in accordance with the said Accounting Standard.

- (e) On the basis of the written representations received from the directors of the Holding Company and Subsidiary Companies as on 31<sup>st</sup> March 2015 taken on record by the Board of Directors of the Holding Company and Subsidiary Companies respectively, none of the directors is disqualified as on 31<sup>st</sup> March 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) 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 impact of pending litigations on the financial position of the Group has been disclosed in its financial statements as referred to in Note 27 to the Consolidated Financial Statements.
  - ii) The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There was no amount which was required to be transferred to the Investor Education and Protection Fund by Group.

**For Doshi, Chatterjee, Bagri & Co.**  
Chartered Accountants  
Firm's Registration No: 325197E  
**Mridula Jhunjhunwala**  
Partner  
Membership No.56856

Place : Kolkata  
30th May, 2015

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED ACCOUNTS

(ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE TO THE CONSOLIDATED FINANCIAL  
STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2015)

- |   |   |
|---|---|
| <p>(i) a) The Group has maintained records of Fixed Assets showing full particulars including quantitative details and situation thereof.</p> <p>b) The Fixed Assets of the Group has been physically verified by the management during the year at reasonable intervals and no material discrepancies have been noticed on such verification.</p> <p>(ii) a) The management has conducted physical verification of inventory at reasonable intervals during the year.</p> <p>b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Group and the nature of its business.</p> <p>c) The Group is maintaining proper records of inventory. As informed, the discrepancies noticed on such physical verification have been properly dealt within the accounts.</p> <p>(iii) a) According to the information and explanations given to us, the Group has not granted any loans, secured or unsecured, to companies, firms, or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly paragraph 3 (iii) (a) and (b) of the order is not applicable.</p> <p>(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Group and the nature of its business, for the purchase of inventory and fixed assets and for the sale of</p> | <p>goods. During the course of our audit, we have not observed any major weakness in the underlying internal controls.</p> <p>(v) The Group has not accepted any deposits from the public. Accordingly, paragraph 3 (v) of the Order is not applicable</p> <p>(vi) We have broadly reviewed the cost records maintained by the applicable units of the Group prescribed under section 148(1) of Companies Act 2013 and are of the opinion that, prima facie, the prescribed accounts and records have been maintained. We, however, have not made a detailed examination of such records with a view to determine whether they are accurate or complete.</p> <p>(vii) a) As explained to us, the statutory dues payable by the Group comprises of provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax/ value added tax, wealth-tax, service tax, excise duty, customs duty and cess. According to the records of the Group and information and explanations given to us, the Group has generally been regular in depositing the aforesaid undisputed statutory dues with the appropriate authorities. No undisputed amounts payable in respect of aforesaid statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.</p> <p>b) According According to the records of the Group and the information and explanation given to us, there are no dues outstanding in respect of income tax, sales tax, wealth tax, service tax, excise duty and cess on account of any dispute except for the following disputed dues in respect of Holding Company:</p> |
|---|---|

Name of the statute	Nature of dues	Amount (Rs.)	Forum where dispute is pending
West Bengal Sales Tax Act, 1994	Sales Tax	6,98,000	WBST Appellate & Revision Board, Commercial taxes, Kolkata
West Bengal Sales Tax Act, 1994	VAT7	3,08,000	WB VAT Appeal Commercial Taxes, Kolkata
Income Tax Act	Income Tax demand	179,57,840	CIT (Appeal)

- c) There was no amount which was required to be transferred to the Investor Education and Protection Fund by the Group.
- (viii) The accumulated losses of one subsidiary exceeded fifty percent of its net worth. The said subsidiary has not incurred cash losses in the current financial year.
- However it had incurred cash losses in the immediately preceding financial year. The Group as a whole has no accumulated losses at the end of the financial year. It has not incurred cash losses in the current financial year as well as in the immediately preceding financial year.
- (ix) According to the information and explanations given to us, the Group has not defaulted in repayment of dues to the bank.
- (x) According to the information and explanations given to us, the Group has given guarantee for loans taken by others from banks or financial institutions. In our opinion and according to the information and explanations given to us, the terms and conditions of these guarantees are prima-facie not prejudicial to the interest of the company.
- (xi) The term loan taken by the Group has been applied for the purpose for which it was obtained.
- (xii) Based upon the audit procedures performed, information and explanations given, and records and documents produced to us by the management, we report that no fraud on or by the Group has been noticed or reported during the course of our audit for the year ended 31st March 2015.

**For Doshi, Chatterjee, Bagri & Co.**

Chartered Accountants

Firm's Registration No: 325197E

**Mridula Jhunjunwala**

Partner

Membership No.56856

Place : Kolkata

30th May, 2015



**STATEMENT OF CONSOLIDATED PROFIT & LOSS ACCOUNT** for the year ended 31<sup>st</sup> March, 2015

Amount in (Rs.)

Sl.No.	Particulars	Note No.	31-Mar-2015	31-Mar-2014
<b>I</b>	Revenue from operations	19	2,683,334,312	2,221,890,033
<b>II</b>	Other Income	20	5,375,787	2,976,906
<b>III</b>	III. Total Revenue <b>(I+II)</b>		<b>2,688,710,099</b>	<b>2,224,866,939</b>
<b>IV</b>	Expenses:			
	Cost of materials consumed	21	1,745,638,926	1,426,033,572
	Purchase of Stock-in-Trade	22	552,222,832	417,539,359
	Increase in inventories of finished goods and work-in-progress	23	(46,948,741)	(23,733,176)
	Employee Benefits Expense	24	83,608,990	76,407,637
	Finance Costs	25	34,734,670	38,424,752
	Depreciation and Amortization Expenses	26	47,242,698	28,215,797
	Other Expenses	27	165,608,545	186,924,344
	Total Expenses (IV)		<b>2,582,107,920</b>	<b>2,149,812,286</b>
<b>V</b>	Profit before exceptional and extraordinary items and tax <b>(III-IV)</b>		<b>106,602,179</b>	<b>75,054,654</b>
<b>VI</b>	Exceptional and Extraordinary Items			
<b>VII</b>	Profit before tax <b>(V-VI)</b>		<b>106,602,179</b>	<b>75,054,654</b>
<b>VIII</b>	Less: Tax expense			
	(1) Current tax		35,657,400	22,437,000
	(2) Deferred tax		1,295,760	1,012,380
	(3) Income Tax for earlier years		1,804,532	2,340,379
			<b>38,757,692</b>	<b>25,789,759</b>
<b>IX</b>	Profit after tax but before minority interest <b>(VII-VIII)</b>		<b>67,844,486</b>	<b>49,264,895</b>
	less: minority interest		<b>22,689</b>	<b>(20,282)</b>
<b>X</b>	Profit for the period		<b>67,821,797</b>	<b>49,285,177</b>
<b>XI</b>	Earnings per equity share (Nominal Value per share Rs 10)			
	(1) Basic	28	10.87	7.90
	(2) Diluted	28	10.87	7.90
	<b>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>	1		

The Notes referred to above form an integral part of the Financial Statements.

In terms of our attached report of even date.

**Doshi, Chatterjee, Bagri & Co.**  
Chartered Accountants  
Firm Registration No. 325197E  
**Mridula Jhunjhunwala**  
Partner  
Membership No. 56856

Place: Kolkata  
Date: 30th May 2015

**For and on behalf of the Board**

**A.K.Mall** **G. Mall**  
Managing Director Director

**Nidhi Agarwal** **S.S.Agrawal**  
Company Secretary Chief Financial Officer

**CONSOLIDATED CASH FLOW STATEMENT** for the year ended 31<sup>st</sup> March, 2015

Amount in (Rs.)

Particulars	Year ended	
	31-Mar-2015	31-Mar-2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Taxation and Extraordinary Items	107,082,763	75,368,871
Adjustment for :		
Depreciation	46,762,111	27,865,260
Interest Expenses	27,274,604	31,898,043
Sundry Balances written off	183,961	-
Irrecoverable debts written off	1,473,259	-
Dividend Income	-	(10,152)
Interest Income	(207,940)	(968,499)
Profit on Sale of Fixed Assets/Investment	(1,414,398)	(394,725)
Unspent Liability & unclaimed balances Written Back	(623,200)	-
<b>Operating Profit before Working Capital Changes</b>	<b>180,531,161</b>	<b>133,758,798</b>
<b>Movements in Working Capital</b>		
Decrease/(Increase) in Inventories	(64,147,644)	(153,388,987)
Decrease/(Increase) in Trade Receivables, Advances and Other Assets	34,021,477	(154,397,424)
Increase/(decrease) in Trade Payable and other liabilities	102,108,826	175,406,792
<b>Cash generated from Operations</b>	<b>252,513,820</b>	<b>1,379,179</b>
Direct Taxes paid( net of Refunds)	45,650,899	24,777,379
<b>Net Cash from Operating Activities (A)</b>	<b>206,862,921</b>	<b>(23,398,200)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Dividend Received	-	10,152
Interest Income	207,940	968,499
Increase in investment	1,057,000	(4,801,880)
Sale/ Purchase of Fixed Assets	(31,251,915)	(65,473,509)
Expenditure on Capital WIP	(22,721,374)	(26,972,176)
Purchase/ (Sale) of Investments	(49,569,572)	2,933,478
<b>Net cash used in investing activities (B)</b>	<b>(102,277,922)</b>	<b>(93,335,436)</b>



## Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March, 2015 (Contd.)

Amount in (Rs.)

Particulars	Year ended	
	31-Mar-2015	31-Mar-2014
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>Inflow:</b>		
Increase in share capital	39,152,000	
Repayment/ Proceeds of Borrowings	(97,805,578)	155,334,490
Interest Paid	(27,274,604)	(31,898,043)
Dividend paid (including dividend distribution tax)	(10,950,732)	(10,950,732)
<b>Net Cash used in Financing activities (C)</b>	<b>(96,878,914)</b>	<b>112,485,715</b>
<b>Net Increase/(Decrease) in cash or cash equivalents (A+B+C)</b>	<b>7,706,099</b>	<b>(4,247,921)</b>
<b>Cash or Cash equivalents at the beginning of the year</b>	<b>5,902,445</b>	<b>10,150,366</b>
<b>Cash or Cash equivalents at the end of the year</b>	<b>13,608,544</b>	<b>5,902,445</b>

The above Consolidated Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard on Cash Flow Statement(AS 3).

This is the Cash Flow Statement referred to in our report of even date

**Doshi, Chatterjee, Bagri & Co.**

Chartered Accountants  
Firm Registration No. 325197E

**Mridula Jhunjunwala**

Partner  
Membership No. 56856

Place: Kolkata

Date: 30th May 2015

**For and on behalf of the Board**

**A.K.Mall**  
Managing Director

**G. Mall**  
Director

**Nidhi Agarwal**  
Company Secretary

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

## Consolidated Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2015

### Note 1.1: Statement of Significant Accounting Policies

#### Basis for preparation of Financial Statements

The consolidated financial statements comprising of the financial statements of Mallcom (India) Limited (MIL or 'the Company') and its subsidiaries (Group) have been prepared in accordance with the Generally Accepted Accounting Principles in India and comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014. 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 preparation of the consolidated financial statements in conformity with Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of financial statements and income and expenses for the reporting period. Estimates and assumptions are reviewed on an ongoing basis.

The Accounting Policies in all material aspects, have been consistently applied by the Group and are consistent with those used in the previous year except otherwise stated.

#### Principles of consolidation

- (a) The Consolidated Financial Statements (CFS) are prepared in accordance with Accounting Standard on "Consolidated Financial Statements" (AS-21) notified by the Companies Act' 2013.

The CFS is prepared using uniform accounting policies, in accordance with generally accepted accounting policies. All the subsidiaries follow financial year as accounting year.

- (b) The Consolidated Financial Statement (CFS) comprises the financial statements of Mallcom (India) Limited and its subsidiaries – Mallcom Safety Pvt. Ltd. , Mallcom Safety Equipment Pvt. Ltd. and Mallcom VSFT Gloves Pvt. Ltd. which are incorporated in India.
- (c) The effect of intra group transactions between the company and its subsidiaries are eliminated on consolidation.

The significant accounting policies followed by the Group are stated below:

#### i) Revenue recognition

##### Sale of goods

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

##### Export Incentives

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 are fulfilled.

##### Interest

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

##### Dividend

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

#### ii) Fixed Assets

Fixed Assets are stated at cost less depreciation and impairment loss, if any, except in case of land, which is shown at, cost including the cost of development, which is capitalised. Cost comprises the purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use.

Depreciation on Tangible Fixed Assets is provided over the estimated useful life as specified in Schedule II of the Companies Act, 2013 on Written Down Value Method except in case of assets of Nitrile Dipped Gloves division where the depreciation is provided on straight line basis.

Depreciation on additions/disposals during the year is provided on pro-rata basis with reference to the date of addition /disposal.

Software are amortised over useful life not exceeding 3 years. Goodwill is amortised over a period of 10 years.

## Consolidated Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2015 (Contd.)

### iii) Expenditure on New/Expansion Projects

Expenditure directly relating to the construction activity is capitalized. Pre operative and indirect expenditure incurred during construction period is capitalized as part of indirect construction cost to the extent to which the expenditure is related to the construction or is incidental thereto. Income attributable to the project is deducted from the total of such expenditure.

### iv) Impairment

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.

### v) 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.

### vi) Inventories

Raw Materials, Stores and spares 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. Finished Goods and work-in-progress 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.

### vii) Employee Benefits

#### 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 upto 60 days in case of MIL. However no provision for leave benefits is made.

#### Post Employment Benefits

#### (a) 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.

#### (b) 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.

### viii) Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease rentals are recognized as an expense in the Statement of Profit and Loss.

### ix) Borrowing Cost

Borrowing Costs relating to acquisition/construction of qualifying assets are capitalized until the time of substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

**Consolidated Notes to the Financial Statements** for the year ended 31<sup>st</sup> March, 2015 (Contd.)

**x) 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 amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised 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.

**xi) Accounting for Taxes on Income**

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

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

**xii) Earnings Per Share**

Basic Earning 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 dilative potential equity shares.

**xiii) Provisions & Contingent Liabilities**

A provision is 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.

## Consolidated Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2015 (Contd.)

### Note : 2 Share Capital

Amount in (Rs.)

Sr. No	Particulars	31-Mar-2015	31-Mar-2014
1	<b>AUTHORIZED CAPITAL</b>		
	10,000,000 Equity Shares of Rs. 10/- each	100,000,000	100,000,000
		<b>100,000,000</b>	<b>100,000,000</b>
2	<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b>		
	6,240,000 (6,240,000) Equity Shares of Rs. 10 each /		
		62,400,000	62,400,000
	<b>Total</b>	<b>62,400,000</b>	<b>62,400,000</b>

### A Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

#### Equity Shares

Particulars	31-Mar-2015		31-Mar-2014	
	No.	Rs.	No.	Rs.
At the beginning of the reporting period	6,240,000	62,400,000	6,240,000	62,400,000
Issued during the period	-	-	-	-
Outstanding at the end of the reporting period	<b>6,240,000</b>	<b>62,400,000</b>	<b>6,240,000</b>	<b>62,400,000</b>

### B Terms/rights attached to equity shares

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. 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. Shareholders are entitled for dividend if any declared by the Company. During the year dividend payout of Rs.1.50 (P.Y. Rs. 1.50) per equity share of Rs.10/-each is proposed.

C The company has issued 34,20,000 shares as fully paid Bonus Shares since incorporation.

### D Details of shareholders holding more than 5% shares in the company

Particulars	31-Mar-2015		31-Mar-2014	
	No.	% Holding	No.	% Holding
AJAY KUMAR MALL	1,100,820	17.64	1,100,820	17.64
KADAMBINI SECURITIES PRIVATE LIMITED.	2,142,986	34.34	2,142,986	34.34
JAY KUMAR DAGA	1,400,000	22.44	1,400,000	22.44
MALLCOM HOLDINGS PRIVATE LIMITED	597,600	9.58	597,600	9.58

As per the records of the company, the above shareholding represents both legal and beneficial ownership of the shares.

**Consolidated Notes to the Financial Statements** for the year ended 31<sup>st</sup> March, 2015 (Contd.)

**Note : 3 Reserve & Surplus**

Amount in (Rs.)

Sr. No	Particulars	31-Mar-2015	31-Mar-2014
1	Securities Premium Reserve		
	As per last Financial Statement	51,100,000	51,100,000
2	Revaluation Reserve	-	-
	As per last Financial Statement	40,148,906	40,148,906
3	General Reserve	-	-
	As per last Financial Statement	330,355,014	296,355,014
	Less: Adjustment for Depreciation (Refer Note 26)	7,800,502	-
	Add: Transferred from Surplus in the Statement of Profit and Loss	40,000,000	34,000,000
	<b>Closing Balance</b>	<b>362,554,512</b>	<b>330,355,014</b>
4	Surplus in the statement of profit and loss		
	As per last Financial Statement	7,508,425	1,238,189
	Add: Net Profit for the year	67,821,797	49,285,178
	Less: Adjustment for Depreciation (Refer Note 26)	(354,216)	-
	Profit available for Appropriation	74,976,006	50,523,367
	Appropriations:		
	Proposed Dividend	9,360,000	9,360,000
	Tax on Proposed Dividend	1,905,509	1,590,732
	Transfer to General Reserve	40,000,000	34,000,000
	<b>Closing Balance</b>	<b>23,710,497</b>	<b>5,572,635</b>
	<b>Total</b>	<b>477,513,930</b>	<b>427,176,555</b>

**Note : 4 Long Term Borrowings**

Amount in (Rs.)

Sr. No	Particulars	31-Mar-2015	31-Mar-2014
1	Unsecured		
	Inter Corporate Loans (From Related Parties)	19,476,448	161,498,667
	From Related Parties	77,627,281	
	From Others	42,259,744	
	Other Loans	8,850,000	
	<b>Total</b>	<b>148,213,473</b>	<b>161,498,667</b>

The loan carries an interest of 12% and is repayable after April 2017.

Loan amounting to Rs. 15,911,448 carries an interest of 12% and is repayable after April 2017.

Loan amounting to Rs. 60,360,550 are interest free.

**Note : 5 Long Term Provisions**

Amount in (Rs.)

Sr. No	Particulars	31-Mar-2015	31-Mar-2014
1	Provision for Employee Benefits:		
	Gratuity	1,614,352	-
	<b>Total</b>	<b>1,614,352</b>	<b>-</b>

## Consolidated Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2015 (Contd.)

### Note : 6 Deferred Tax Liabilities

Amount in (Rs.)

Sr. No	Particulars	31-Mar-2015	31-Mar-2014
	Deferred Tax Liabilities		
1	Timing differences on account of depreciation	356,747	3,077,637
	<b>Total</b>	<b>356,747</b>	<b>3,077,637</b>

### Note : 7 Short Term Borrowings

Amount in (Rs.)

Sr. No	Particulars	31-Mar-2015	31-Mar-2014
	<b>SECURED</b>		
1	Loan from Banks		
	a) Export Packing Credit	10,516,146	148,836,124
	b) Packing Credit Foreign Currency Loan	442,332,464	261,370,785
	c) Postshipment Foreign Currency Loan	-	81,164,138
	<b>UNSECURED [Not bearing interest]</b>		
2	Deposits	-	4,097,283
	<b>Total</b>	<b>452,848,610</b>	<b>495,468,330</b>

#### Export Packing Credit/ PCFC/ PSFC Loan [a+b+c]

[Secured by hypothecation of entire stock , receivables and entire fixed assets both present and future (excluding Land & Building)and Personal guarantee of Managing Director

### Note : 8 Trade Payables

Amount in (Rs.)

Sr. No	Particulars	31-Mar-2015	31-Mar-2014
1	Trade Payables (Refer Note 32 for details of dues to Micro and Small Enterprises)	262,091,617	242,464,478
	<b>Total</b>	<b>262,091,617</b>	<b>242,464,478</b>

### Note : 9 Other Current Liabilities

Amount in (Rs.)

Sr. No	Particulars	31-Mar-2015	31-Mar-2014
1	Advance From Customers	102,032,185	112,377,426
2	Book Overdraft	17,571,538	8,604,190
3	Sundry Creditor for Services and Expenses	15,772,712	19,996,437
4	Statutory Liabilities	3,194,170	2,343,045
5	Other payables	7,579,897	8,000,000
6	Advance against sale of assets		2,650,000
	<b>Total</b>	<b>146,150,502</b>	<b>153,971,098</b>

**Consolidated Notes to the Financial Statements** for the year ended 31<sup>st</sup> March, 2015 (Contd.)

**Note : 10 Short Term Provisions**

Amount in (Rs.)

Sr. No	Particulars	31-Mar-2015	31-Mar-2014
1	Provision for Income Tax [Net of Advances]	-	1,609,757
2	Proposed Dividend	9,360,000	9,360,000
3	Tax on Proposed Dividend	1,905,509	1,590,732
	<b>Total</b>	<b>11,265,509</b>	<b>12,560,489</b>

**Note : 11 Fixed Asset**

Amount in (Rs.)

Sr. No	Particulars	As at 1st April, 2014	Gross Block				Depreciation				Net Block		
			Addition during the year	Deduction during the year	As at 31st March, 2015	Upto 31st March, 2014	Charge for the year	On Disposal	Adjustment during the year*	Upto 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014	
<b>I. Tangible Assets</b>													
	Lease Hold Property	12,989,521	-	-	12,989,521	-	-	-	-	-	-	12,989,521	12,989,521
	Land	45,952,398	-	-	45,952,398	-	-	-	-	-	-	45,952,398	45,952,398
	Building	131,721,071	29,080,819	-	160,801,890	56,640,207	7,373,758	-	991,743	63,022,221	97,779,669	75,080,864	
	Plant and Equipments	303,924,760	68,887,664	49,512,646	323,299,778	155,334,007	28,216,022	14,097,075	8,879,646	178,332,599	144,967,178	148,590,753	
	Electrical Installations	19,440,130	3,044,213	-	22,484,343	11,892,531	1,795,204	-	1,124,903	14,812,638	7,671,705	7,547,599	
	Mould & Dies	29,526,369	922,545	-	30,448,914	23,262,395	980,751	-	600,163	24,843,309	5,605,605	6,263,974	
	Furniture & Fixtures	20,134,186	2,429,699	-	22,563,885	12,526,790	2,870,271	-	370,201	15,767,262	6,796,623	7,607,396	
	Vehicles (Cars)	7,713,633	769,349	592,209	7,890,773	4,745,105	1,180,973	466,213	27,912	5,487,777	2,402,996	2,968,528	
	Office Equipments	19,225,992	1,457,261	354,941	20,328,312	12,558,578	4,323,644	-	1,806,070	18,688,293	1,640,019	6,667,414	
	<b>Total</b>	<b>590,628,060</b>	<b>106,591,550</b>	<b>50,459,796</b>	<b>646,759,813</b>	<b>276,959,613</b>	<b>46,740,623</b>	<b>14,563,288</b>	<b>11,817,152</b>	<b>320,954,099</b>	<b>325,805,714</b>	<b>313,668,447</b>	
<b>II Intangible Assets</b>													
1	Computer Software	5,884,342.00	706,205.00	-	6,590,547.00	4,839,280.00	21,487.95	-	-	4,860,767.95	1,729,779.05	1,045,062.00	
	Goodwill	2,827,931.00	1,977,940.00	-	4,805,871.00	-	480,587.10	-	-	-	4,325,283.90	2,827,931.00	
	<b>SUB TOTAL (B)</b>	<b>8,712,273.00</b>	<b>2,684,145.00</b>	<b>-</b>	<b>11,396,418.00</b>	<b>4,839,280.00</b>	<b>502,075.05</b>	<b>-</b>	<b>-</b>	<b>4,860,767.95</b>	<b>6,055,062.95</b>	<b>3,872,993.00</b>	



**Consolidated Notes to the Financial Statements** for the year ended 31<sup>st</sup> March, 2015 (Contd.)

**Note : 12 Non-Current Investment**

Amount in (Rs.)

Sr. No.	Particulars	31-Mar-2015	31-Mar-2014
	Non Trade		
1	Investment in Equity Shares		
	Quoted		
	IFCI Limited 1000 Shares (1000 Shares)	73,716	73,716
	Tata Steel Limited Nil Shares (282 Shares)	-	150,400
	Nagarjuna Fertilizers Limited 1000 Shares (1000 Shares)	34,350	34,350
	Shri Vardhaman Overseas Limited 400 Shares (400 Shares)	20,000	20,000
		128,066	278,466
2	Investment in Mutual Fund (unquoted)		
	Birla Sunlife Short term Opportunities Fund (472217.13 units)	10,000,000	
3	6 years National Savings Certificate [Lying with Sales Tax Authorities]	6,000	6,000
	<b>Total</b>	<b>10,134,066</b>	<b>284,466</b>
	Aggregate amount of Quoted Investment	128,066	278,466
	Aggregate Market Value of Quoted Investment	49,730	174,944
	Aggregate amount of Unquoted Investment	10,006,000	6,000
	Aggregate Repurchase price of units of Mutual Fund	10,922,382	-

**Note : 13 Long Term Loans and Advances**

Amount in (Rs.)

Sr. No.	Particulars	31-Mar-2015	31-Mar-2014
1	Security Deposit (Unsecured and Considered Good)		
	Earnest Money Deposit	326,593	225,553
	Other Deposits	18,802,476	18,052,924
2	Loan to Employees (Unsecured and Considered Good)	750,142	1,436,519
	<b>Total</b>	<b>19,879,211</b>	<b>19,714,996</b>

**Note : 14 Inventories**

Amount in (Rs.)

Sr. No.	Particulars	31-Mar-2014	31-Mar-2013
1	Raw Material	287,752,129	259,078,264
	(including Goods in Transit Rs 1,433,418 (Rs 31,040,514 )		
2	Work-in-Progress	77,593,044	53,383,090
3	Finished Goods	78,911,738	59,992,341
4	Stores & Spares	46,489,929	57,964,890
5	Traded Goods	19,630,903	15,811,513
	<b>Total</b>	<b>510,377,742</b>	<b>446,230,100</b>

**Consolidated Notes to the Financial Statements** for the year ended 31<sup>st</sup> March, 2015 (Contd.)

**Note : 15 Trade Receivables**

Amount in (Rs.)

Sr. No	Particulars	31-Mar-2015	31-Mar-2014
1	Unsecured, Considered Good :		
	(a) Outstanding for a period exceeding 6 months from the day they are due for payment	19,767,287	5,583,603
	(b) Other Receivables	247,742,932	351,938,279
	<b>Total</b>	<b>267,510,219</b>	<b>357,521,882</b>

**Note : 16 Cash & Cash Equivalent**

Amount in (Rs.)

Sr. No	Particulars	31-Mar-2015	31-Mar-2014
1	Cash-in-Hand	2,179,207	2,348,360
	<b>Sub Total (A)</b>	<b>2,179,207</b>	<b>2,348,360</b>
2	Balance with banks:		
	In Current Account	10,683,915	2,587,998
	In Fixed Deposit	745,422	966,086
	<b>Sub Total (B)</b>	<b>11,429,338</b>	<b>3,554,084</b>
	<b>Total [A+B]</b>	<b>13,608,544</b>	<b>5,902,444</b>

**Note : 17 Short Terms Loans and Advances**

Amount in (Rs.)

Sr. No	Particulars	31-Mar-2015	31-Mar-2014
1	Unsecured, Considered Good :		
	Advances recoverable in cash or in kind*	58,551,145	25,986,629
	Advance to Suppliers	59,768,861	103,394,405
	Advance Income Tax (net of provisions)	6,579,210	
	Balance with Revenue Authorities	195,397,639	186,142,857
	Prepaid Expenses	2,207,715	1,114,665
	Staff Advances**	1,930,188	876,186
	Security Deposit- WBSEDCL		1,332,466
	<b>Total</b>	<b>324,434,758</b>	<b>318,847,208</b>

\* Includes amount receivable from Related Parties

 45,106,115      **20,671,225**

\*\* Includes amount receivable from Managing Director

 501,610      **489,853**

## Consolidated Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2014 (Contd.)

### Note : 18 Other Current Assets

Amount in (Rs.)

Sr. No	Particulars	31-Mar-2015	31-Mar-2014
1	Unsecured, Considered Good :		
	Other Receivables for Fixed Assets sale	9,068,988	
	Preliminary Expense		72,648
	<b>Total</b>	<b>9,068,988</b>	<b>72,648</b>

### Note : 19 Revenue from Operations

Amount in (Rs.)

Sr. No	Particulars	31-Mar-2015	31-Mar-2014
1	Sale of Finished Goods	1,904,854,676	1,664,232,982
2	Sale of Traded Goods	625,429,981	422,139,739
3	Export Incentives	153,049,655	135,517,312
4	Job charges	-	-
	<b>Total</b>	<b>2,683,334,312</b>	<b>2,221,890,033</b>

### Sale of Finished Goods

Amount in (Rs.)

Sr. No	Particulars	31-Mar-2015	31-Mar-2014
1	Leather Gloves*	1,005,736,940	852,416,558
2	Textile Garments **	448,541,994	326,926,950
3	Nitrile Dipped Gloves	257,646,447	325,652,706
4	Safety Shoes	22,468,022	21,912,564
5	Fabric	16,616,291	-
6	Shoe Upper	84,487,158	71,918,128
7	Stock Sale	33,133,919	-
8	Knitted Gloves	8,615,711	10,553,164
9	Helmet	1,320,677	-
10	Raw Hide/Leather	24,472,796	50,068,743
11	Accessories	9,635	1,916,250
12	Face-Mask	1,805,087	2,867,919
13	Others	-	-
		<b>1,904,854,676</b>	<b>1,664,232,982</b>

\* Includes sales of purchase lether glaves

\*\* Include sales of textile garments

### Sale of Traded Goods

Amount in (Rs.)

Sr. No	Particulars	31-Mar-2015	31-Mar-2014
1	Safety Shoes	479,810,629	337,407,920
2	Nitrile Dipped Gloves	83,171,370	-
3	Edible Oil	-	4,545,173
4	Knitted Gloves	22,717,005	52,015,600
5	Others	39,730,976	28,171,046
		<b>625,429,981</b>	<b>422,139,739</b>

**Consolidated Notes to the Financial Statements** for the year ended 31<sup>st</sup> March, 2015 (Contd.)

**Note : 20 Other Income**

Amount in (Rs.)

Sr. No	Particulars	31-Mar-2015	31-Mar-2014
1	Interest	207,940	968,499
2	Dividend on Non Current Investments	-	10,152
3	Gain on Foreign Exchange Fluctuation (Net)	1,534,176	-
4	Profit on Sale of Non Current Investment	489,027	169,711
5	Profit on Sale of Fixed Assets	925,371	225,014
6	Unspent Liabilities & Unclaimed Balances Written Back	627,413	-
7	Other Receipts	1,591,860	1,603,531
	<b>Total</b>	<b>5,375,787</b>	<b>2,976,906</b>

**Note : 21 Cost of Materials Consumed**

Amount in (Rs.)

Sr. No	Particulars	31-Mar-2015	31-Mar-2014
(a)	Opening Stock	317,043,155	187,387,344
	Purchases of Raw Materials and Stores		
1	Raw Materials	1,416,842,546	1,290,708,216
2	Stores & Consumables	135,889,351	114,573,620
3	Packing Materials	34,443,326	18,687,187
		1,587,175,223	1,423,969,023
	Closing Stock	334,242,058	317,043,155
(b)	Fabrication & Processing Charges	175,662,606	131,720,358
	<b>Cost of Materials Consumed</b>	<b>1,745,638,926</b>	<b>1,426,033,572</b>

**Closing Stock of Raw Materials**

Amount in (Rs.)

Sr. No	Particulars	31-Mar-2015	31-Mar-2014
1	Fabric	104,381,390	89,824,115
2	Leather	102,830,695	116,937,327
4	Liner	6,352,496	-
5	Chemical	13,894,873	-
6	Fibre	3,339,723	3,339,723
7	Others	56,952,952	48,977,099
		<b>287,752,129</b>	<b>259,078,264</b>

**Note : 22 Purchase of Traded Goods**

Amount in (Rs.)

Sr. No	Particulars	31-Mar-2015	31-Mar-2014
1	Knitted Gloves	22,300,534	50,972,754
2	Safety Shoes	117,645,043	57,104,387
3	Edible Oil	-	4,337,139
4	Nitrile dipped gloves	-	-
5	Leather Gloves	371,261,577	289,809,095
6	Textile Garments	563,308	-
7	Helmets	-	1,408,728
8	Others	40,452,370	13,907,256
		<b>552,222,832</b>	<b>417,539,359</b>

## Consolidated Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2015 (Contd.)

**Note : 23 Increase/Decrease in inventories of Finished Goods and Work-In-Progress and Traded Goods** Amount in (Rs.)

Sr. No	Particulars	31-Mar-2015	31-Mar-2014
1	Inventories at the beginning of the year		
	Work-in-Progress	53,383,090	49,649,934
	Finished Goods	59,992,341	40,578,692
	Traded Goods	15,811,513	15,225,142
		<b>129,186,944</b>	<b>105,453,768</b>
2	Inventories at the end of the year		
	Work-in-Progress	77,593,044	53,383,090
	Finished Goods	78,911,738	59,992,341
	Traded Goods	19,630,903	15,811,513
		176,135,685	129,186,944
	<b>TOTAL</b>	<b>(46,948,741)</b>	<b>(23,733,176)</b>

Sr. No	Particulars	31-Mar-2015	31-Mar-2014
	<b>Finished Goods</b>		
1	Leather Gloves	2,163,857	3,465,860
2	Leather	11,951,305	-
3	Textile Garments	1,886,487	6,942,386
4	Nitrile Dipped Gloves	27,237,349	27,518,111
5	Safety Shoes	12,729,685	6,047,241
6	Shoe Upper	21,150,453	13,317,782
7	Face-Mask	290,442	2,700,961
8	Helmets	1,502,160	
		<b>78,911,738</b>	<b>59,992,341</b>
	<b>Work-in-progress</b>		
1	Leather Gloves	22,767,630	11,860,332
2	Leather	7,007,840	-
3	Textile Garments	26,540,511	16,226,213
4	Knitted Gloves	-	135,594
5	Nitrile Dipped Gloves	-	6,261,913
6	Safety Shoes	2,665,600	2,085,689
7	Shoe Uppers	15,777,012	16,813,350
8	Face Mask	2,834,451	
		<b>77,593,044</b>	<b>53,383,090</b>
	<b>Traded Goods</b>		
	Others	19,630,903	15,811,513
		<b>19,630,903</b>	<b>15,811,513</b>

**Note : 24 Employee Benefits Expenses**

Amount in (Rs.)

Sr. No	Particulars	2014-15	2013-14
1	Salaries, Wages and Bonus	75,092,992	69,493,882
2	Contribution to Provident and Other Funds	4,421,354	3,984,328
3	Contribution to Gratuity Fund	2,264,352	70,000
4	Staff Welfare Expenses	1,830,292	2,859,427
	<b>Total</b>	<b>83,608,990</b>	<b>76,407,637</b>

**Note : 25 Finance Costs**

Amount in (Rs.)

Sr. No	Particulars	2014-15	2013-14
1	Interest	27,274,604	31,827,877
2	Other Finance Charges	7,460,066	6,596,875
	<b>Total</b>	<b>34,734,670</b>	<b>38,424,752</b>

**Consolidated Notes to the Financial Statements** for the year ended 31<sup>st</sup> March, 2015 (Contd.)

**Note : 26 Depreciation and Amortisation Expense**

Amount in (Rs.)

Sr. No	Particulars	2014-15	2013-14
1	Depreciation of Tangible Assets	46,740,623	26,730,190
2	Amortization of Intangible Assets	502,075	1,449,385
3	Preliminary expense written off	-	36,323
	<b>Total</b>	<b>47,242,698</b>	<b>28,215,797</b>

**Note : 27 Other Expenses**

Amount in (Rs.)

Sr. No.	Particulars	2014-15	2013-14
1	Power & Fuel	41,242,487	39,333,007
2	Rent [Including Rs.1,08,632/- for earlier years]	1,759,451	1,106,169
3	Insurance	2,778,453	1,720,143
4	Factory Maintenance	15,705,653	8,452,807
5	Repairs to Buildings	657,093	120,500
6	Repairs to Machinery	4,416,783	1,174,737
7	Carriage Outward	3,108,471	3,156,894
8	Freight - Export	24,675,709	20,284,394
9	Terminal Handling Charges - Export	4,840,462	3,257,749
10	Clearing & Forwarding expenses	6,766,949	4,679,266
11	Sales Promotion Expenses	6,500,867	4,354,749
12	Sales Commission	6,133,322	2,809,513
13	Trade Fair Expenses	220,749	1,598,411
14	Other selling expenses	16,038,422	5,785,990
15	Postage, Telephone & Telex	3,027,460	3,098,909
16	Travelling & Conveyance	5,499,974	6,375,812
17	Printing & Stationery	2,281,547	1,746,697
18	Filing Fees	357,825	51,303
19	Rates & Taxes (inclusive of service tax on reverse charge)	4,154,999	3,864,236
20	Legal and Professional Fees	5,666,339	1,907,892
21	Membership & Subscription	337,859	306,869
22	Directors' Sitting Fees	94,000	63,000
23	Payment to auditors (refer details below)	443,822	126,742
24	Loss on Foreign Exchange Fluctuation (Net)	141,799	65,244,225
25	Sundry Balances written off	183,961	-
26	Irrecoverable Receivables written off	1,473,259	-
27	Prior Period Expenses	257,456	-
28	Miscellaneous Expenses	6,452,541	6,304,329
29	Trainnig Exp	390,833	-
	<b>Total</b>	<b>165,608,545</b>	<b>186,924,344</b>
	<b>Payment to Auditor</b>		
	<b>As Auditor:</b>		
	Audit Fee	235,000	77,500
	Tax Audit Fee	55,000	22,500
	Limited Review and Certification Charges	105,000	15,000
	Service Tax Payable	48,822	11,742
		443,822	126,742

**28. a.** Effective 01<sup>st</sup> April 2014, the company has revised the Depreciation rates of fixed assets, according to the useful lives specified in Schedule –II of the Companies Act, 2013, resulting into increase in depreciation charge for the year by Rs 105.54 lakhs

Further written down value of the assets whose useful life has already been exhausted before 1<sup>st</sup> April 2014 amounting to Rs. 81.55 lakhs (net of deferred tax) have been adjusted against the retained earnings as on 1<sup>st</sup> April 2014.

b. In one of the subsidiaries, depreciation was not provided by the company for last 3 years.

However depreciation has been provided for the current year without providing the same for earlier years. Accordingly, the opening WDV as appearing in the books has been considered for providing depreciation. However, while calculating the remaining useful life as on 1<sup>st</sup> April 2014, life of assets actually elapsed till that date have been considered.

## 29. Related Party Transactions

### (a) Associates

- i) Kadambini Securities Pvt. Ltd [KSPL]
- ii) Mallcom Holdings Pvt. Ltd [MHPL]
- iii) Movers Construction Pvt. Ltd [MCPL]
- iv) Chaturbuj Impex Pvt. Ltd [CIPL]
- v) DNB Exim Pvt. Ltd. [DNB]
- vi) Two Star Tannery Private Limited [TSTPL]

### (b) Key Managerial Personnel

- i) Mr. Ajay Kumar Mall (Managing Director)

### (c) Relatives of Key Managerial Personnel

- i) Mr. S.K.Mall
- ii) Mrs. Sunita Mall
- iii) Mr. G Mall

**Consolidated Notes to the Financial Statements** for the year ended 31<sup>st</sup> March, 2015 (Contd.)

**(d) Transaction with related parties during the year and balance outstanding at the year end :**
**(Rs. in lakhs)**

	Enterprises referred to in (a) above		Key Managerial Personnel (KMP) referred to in (b) above		Relatives of Key Managerial referred to in (c) above	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
<b>Transactions with DNB</b>						
Purchase of Goods	1,321.62	—	—	—	—	—
Advance Payable 31.03.2015	269.56	38.78	—	—	—	—
Amount Receivable	38.78	38.78	—	—	—	—
<b>Transactions with MCPL</b>						
Advance receivable 31.03.2015	0.51	—	—	—	—	—
Unsecured Loan Payable	—	263.37	—	—	—	—
<b>Transactions with KSPL</b>						
Unsecured Loan Payable	357	708.77	—	—	—	—
<b>Transactions with CIPL</b>						
Unsecured Loan Payable	—	119.85	—	—	—	—
<b>Transactions with MHPL</b>						
Unsecured Loan payable	302.22	—	—	—	—	—
<b>Transactions with Two Star Tannery Private Limited</b>						
Purchase of Goods	1,203.55	764.37	—	—	—	—
Sale of Goods	244.73	426.85	—	—	—	—
Job Charges Paid	79.29	—	—	—	—	—
Advance Receivable	280.77	808.65	—	—	—	—
<b>Transactions with DNB CON</b>						
Amount Receivable	38.87	38.87	—	—	—	—
<b>Transactions with KMP</b>						
Remuneration *	—	—	24.67	20.71	27.61	24.25
Dividend Paid	—	—	16.51	13.21	—	—
<b>Dividend Paid to enterprises in (a) above</b>	45.70	36.55	—	—	—	—
<b>Balance receivable at the year end</b>	473.97	1,015.36	5.02	4.90	3.03	3.03
<b>Balance payable at the year end</b>	611.02	1,492.82	—	—	—	—

\*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.



## Consolidated Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2015 (Contd.)

### 30. Earnings Per Share

Amount in (Rs.)

Particulars	2014-15	2013-14
Net Profit as per statement of Profit and Loss	678,21,797.00	450,13,667.00
Weighted average number of Equity Shares outstanding	62,40,000.00	62,40,000.00
Earnings per Share (Basic and Diluted) (Rs.)	10.87.00	7.21.00
Nominal Value of shares (Rs.)	10.00	10.00

### 31. Segment Reporting

Based on the guiding principles given in Accounting Standard on Segment Reporting, (AS-17), 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.

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	2014-15	2013-14
Revenue from Operations:		
Outside India	20,703.22	4,291.36
Within India	17,061.05	3,397.07
Total	24,994.58	20,458.12

(Rs. in Lakhs)

Particulars	31-Mar-2015	31-Mar-2014
Trade Receivables:		
Outside India	2,837.00	70.35
Within India	37.02	3,315.22
Total	2,874.02	3,385.57

The group 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.

### 32. 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.

Amount in (Rs.)

Particulars	2014-15	2013-14
Lease payment for the year	621,137.00	256,831.00
Minimum Lease payment not later than 1 year	357,935.00	357,935.00
Later than one year but not later than Five years	103,484.00	103,484.00
<b>Later than Five years</b>	<b>2,224,906.00</b>	<b>2,199,035.00</b>

**33. a. Contingent liabilities not provided for :**

Particulars	Amount in (Rs.)	
	31-Mar-2015	31-Mar-2014
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)	129,266,880.00	66,310,258.00
Outstanding Bank guarantee issued by State bank of India	Nil	1,00,000.00
B-17 Bond issued in favor of "Asst. Commissioner of Central Excise, Calcutta" covering the purchase of imported / indigenous capital goods/ raw materials without payment of Custom duty/ Excise Duty with respect to 100% E.O.U. for seamless knitted gloves	25,000,000.00	25,000,000.00
B-17 Bond issued in favor of "Deputy Commissioner of Customs, FSEZ", covering the purchase of imported / indigenous capital goods/ raw materials without payment of Custom duty/ Excise Duty with respect to 100% SEZ unit	31,000,000.00	31,000,000.00
Sales Tax demand in respect of earlier years, which has been disputed by the Company	8,006,000.00	8,006,000.00
Income Tax Demand in respect of earlier years, which has been disputed by the company	17,957,840.00	11,949,510.00

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

Particulars	Purpose	Currency	Amount	Cross Currency
Forward Contract	Exports	USD	58,07,648.00 (40,74,338.00)	Rupees
	Exports	EURO	32,00,000.00 (507,000.00)	Rupees

c. Trade Payables includes USD 101228.20 (INR 63,35,873) Previous Year USD 164922.20 (INR 99,84,232) which is naturally hedged against export receivables.

**34. Micro Small and Medium Enterprises**

There were no dues outstanding to the suppliers as on 31.03.2015 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.

35. 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.

36. In one of the subsidiaries, advances taken from the customers and advances given to related parties in earlier year has been paid/ received during the year since the purpose for which these were taken/given could not be accomplished.

37. Estimated amount of Contracts remaining to be executed on capital account and not provided for Rs. 95.15 lacs (P.Y Rs 245.08 lacs)



### Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 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

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details	Details	Details
1.	Name of the subsidiary	Mallcom Safety Pvt. Ltd.	Mallcom Safety Equipment Pvt. Ltd.	Mallcom Vsft Gloves Pvt. Ltd. (Formerly Vsft Quilts & Pillow Pvt. Ltd.)
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2014-2015	2014-2015	2014-2015
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR
4.	Share capital	10,000,000	4,233,550	48,940,000
5.	Reserves & surplus	25,136,705	(278,293)	5,623,527
6.	Total assets	54,721,976	8,636,955	268,631,945
7.	Total Liabilities	23,611,667	4,681,698	214,068,418
8.	Investments	-	8,631,000	-
9.	Turnover	395,044,457	-	88,874,276
10.	Profit/(Loss) before taxation	8,592,997	(92,074)	11,135,132
11.	Provision for taxation	2,657,400	-	-
12.	Profit/(Loss) after taxation	5,935,596	(92,074)	11,135,132
13.	Proposed Dividend	-	-	-
14.	% of shareholding	100	99.93	99.80

#### Notes:

1. There is no subsidiaries which is yet to commence operations.
2. There is no subsidiaries which have been liquidated or sold during the year.

## EIGHT YEAR'S FINANCIAL STATISTICS

## OPERATING RESULTS

Rs.in lakhs

	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Gross Income	26,527.92	21,832.33	16,170.95	13,663.67	11,997.57	9,204.95	12,474.24	11,294.81
Profit before interest and tax(PBIT)	1,136.76	1,061.88	805.18	632.40	947.06	425.15	338.40	489.94
Profit Before tax	874.47	678.33	506.70	427.05	821.27	250.31	155.29	336.76
Profit After tax	513.47	450.14	350.30	346.59	662.98	204.52	143.20	325.95
Dividends	93.60	93.60	74.88	74.88	93.60	62.40	62.40	52.00
Retained Profits	400.81	340.63	262.69	259.92	553.83	131.52	70.20	265.11

## SOURCE AND APPLICATION OF FUNDS

Share Capital	624.00	624.00	624.00	624.00	624.00	624.00	624.00	520.00
Share Application Money	-	-	-	-	-	-	-	520.00
Reserve and Surplus	4,427.18	4,104.38	3,763.74	3,501.27	3,247.20	2,285.81	2,154.29	1,668.10
Total Shareholder's Funds	5,051.18	4,728.38	4,387.74	4,125.27	3,871.20	2,909.81	2,778.29	2,708.10
Borrowing	4,687.59	5,194.06	3,899.62	3,521.75	2,996.54	2,953.08	2,566.87	2,571.95
Funds Employed	9,738.77	9,922.44	8,287.36	7,647.02	6,867.74	5,862.89	5,345.16	5,280.05

## APPLICATION OF FUNDS

Gross Fixed Assets	5,980.96	5,422.00	4,953.46	4,791.97	4,329.57	3,903.24	3,319.62	2,949.71
Depreciation	3,171.16	2,656.59	2,392.93	2,112.67	1,842.28	1,544.32	1,272.92	1,059.1
Net Fixed Assets	2,809.80	2,765.41	2,560.53	2,679.30	2,487.29	2,358.92	2,046.70	1,890.61
Investments	645.74	145.15	145.15	145.15	102.84	200.16	599.86	109.86
Current assets	10,536.98	10,242.76	7,453.37	6,051.03	6,594.45	4,600.41	3,773.13	5,325.25
Less: Current liabilities and Provisions	8,929.54	7,470.67	5,948.47	4,907.45	2,316.86	1,296.59	1,074.84	2,048.17
Net Current Assets	1,607.44	2,772.09	1,504.90	1,143.58	4,277.59	3,303.82	2,698.29	3,277.08
Miscellaneous Expenditure	-	-	-	-	-	-	0.31	2.50
Net Assets Employed	5,062.98	5,682.65	4,210.58	3,968.03	6,867.72	5,862.9	5,344.85	5,277.55
PBIT to Gross Income(%)	4.29	4.86	4.98	4.63	7.89	4.62	2.71	4.34
PBIT to Net Assets Employed(%)	22.45	18.69	19.12	15.94	13.79	7.25	6.33	9.28
PAT on shareholders Fund(%)	10.17	9.52	7.98	8.40	17.13	7.03	5.15	12.04
EPS	8.23	7.21	5.61	5.55	10.62	3.28	2.29	6.27
DPS	1.50	1.50	1.20	1.20	1.50	1.00	1.00	1.00
Net Worth Per Equity Share(Rs)	80.95	75.78	70.32	66.11	62.04	46.63	44.52	43.40





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