



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, Uttarakhand

### 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

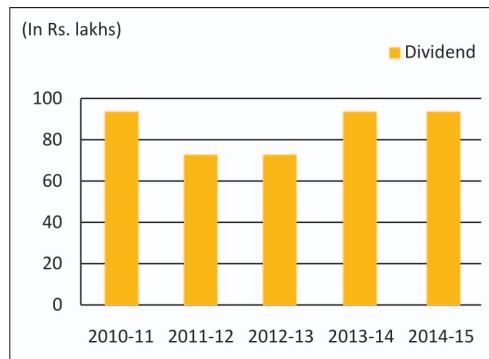
Your Company's performance during the year ended 31st March, 2015 is summarized below:

(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.



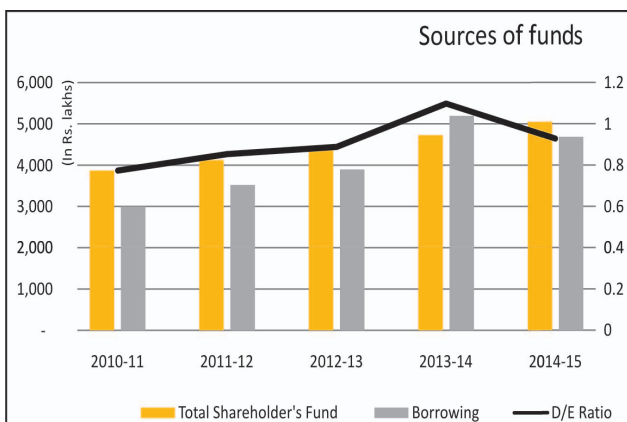
### PERFORMANCE OF THE COMPANY

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.



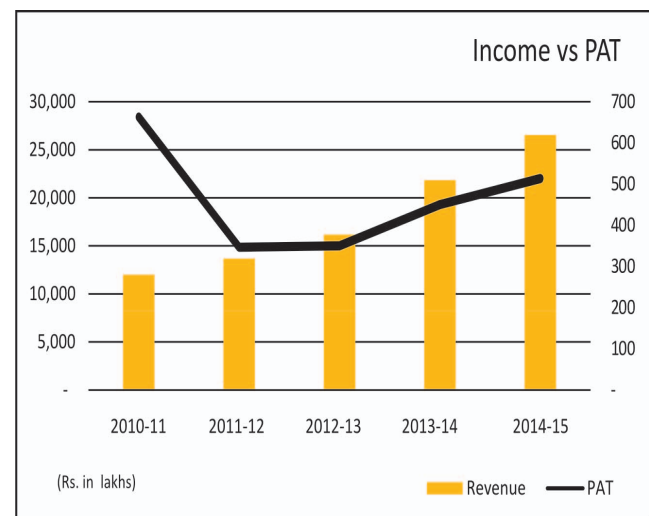
### FINANCIAL POSITION

#### 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.

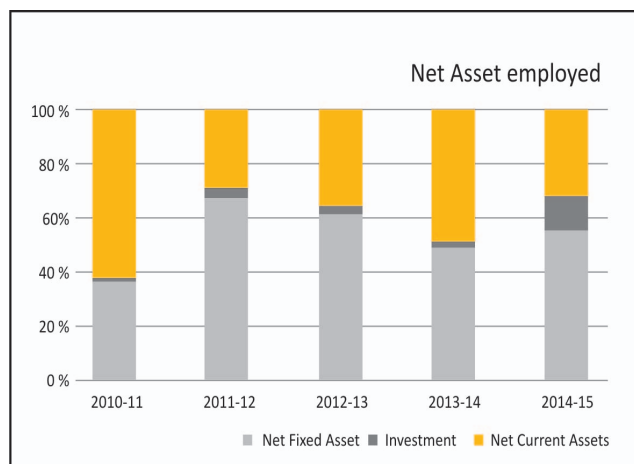
### FIXED ASSETS

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 Chhaparia & 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:

- 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;
- 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;

- 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;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls in the company that are adequate and were operating effectively.
- 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.