



43<sup>RD</sup>  
**ANNUAL REPORT**  
2021-22

**COSCO (INDIA) LIMITED**

**BOARD OF DIRECTORS**

DEVINDER KUMAR JAIN  
NARINDER KUMAR JAIN  
ARUN JAIN  
MANISH JAIN  
PANKAJ JAIN  
NEERAJ JAIN  
MOHAN LAL MANGLA  
M. P. GUPTA  
SUNIL JAIN  
VIJENDER KUMAR JAIN  
NISHA PAUL  
TEJAL JAIN (w.e.f. 30.06.2021)

MANAGING DIRECTOR AND CEO  
MANAGING DIRECTOR  
WHOLE TIME DIRECTOR  
WHOLE TIME DIRECTOR  
WHOLE TIME DIRECTOR AND CFO  
WHOLE TIME DIRECTOR  
INDEPENDENT DIRECTOR  
INDEPENDENT DIRECTOR  
INDEPENDENT DIRECTOR  
INDEPENDENT DIRECTOR  
INDEPENDENT DIRECTOR  
INDEPENDENT DIRECTOR

**REGISTERED OFFICE**

COSCO (INDIA) LIMITED  
CIN: L25199DL1980PLC010173 2/8,  
2/8 ROOP NAGAR,  
DELHI-110 007  
E-MAIL: MAIL@COSCO.IN

**BRANCH OFFICES**

- 244, BASTI GUZAN, NEAR BABRIK CHOWK, JALANDHAR-144 002 (PUNJAB)
- BLDG. No.: A-9, GALA No.: 16, 17, 18 & 19, GROUND FLOOR, HARIHAR COMPLEX DAPODE, NEAR MANKOLI NAKA, TALUKA: BHIWANDI, DISTT.: THANE-421302 (MAHARASHTRA)

**WORKS**

1688-2/31, RAILWAY ROAD  
NEAR RAILWAY STATION  
GURUGRAM-122 001 (HARYANA)  
E-MAIL: GURGAON@COSCO.IN

**AUDITORS**

M/S V. P. JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
AMBICA BHAWAN, F-1, FIRST FLOOR,  
4658-A/21, ANSARI ROAD  
DARYA GANJ, DELHI-110 002

**BANKERS**

BANK OF INDIA

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**COSCO (INDIA) LIMITED (CIN: L25199DL1980PLC010173)**

Registered Office: 2/8, Roop Nagar, Delhi-110 007;  
Website: www.cosco.in; Email: [mail@cosco.in](mailto:mail@cosco.in);  
Tel: 91-11-23843000; Fax: 91-11-23846000

**NOTICE OF ANNUAL GENERAL MEETING**

(Pursuant to Section 101 of the Companies Act, 2013)

Notice is hereby given that the Forty-Third Annual General Meeting of the Members of Cosco (India) Limited (CIN: L25199DL1980PLC010173) will be held on Friday, the 30<sup>th</sup> September, 2022 at 12.00 Noon through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

**ORDINARY BUSINESS:**

**Item 1.**

Adoption of Financial Statements

To receive, consider and adopt the Audited Financial Statements for the Financial Year ended on 31<sup>st</sup> March, 2022 which includes Balance Sheet as at 31<sup>st</sup> March, 2022, Statement of Profit and Loss, Cash Flow Statement of the Company and Statement of changes in Equity for the year ended 31<sup>st</sup> March, 2022 along with Notes annexed thereto and the Reports of the Directors' and the Auditors' thereon.

**Item 2.**

Appointment of Mr. Pankaj Jain (DIN: 00190414) as a director, liable to retire by rotation

To appoint a Director in place of Mr. Pankaj Jain (DIN: 00190414), who retires by rotation and, being eligible, offers himself for re-appointment.

**Item 3.**

Appointment of Mr. Manish Jain (DIN: 00191593) as a director, liable to retire by rotation

To appoint a Director in place of Mr. Manish Jain (DIN: 00191593), who retires by rotation and, being eligible, offers himself for re-appointment.

**Item 4.**

Appointment of M/s. Madan & Associates, Chartered Accountants, as Statutory Auditors of the Company

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

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Madan & Associates, Chartered Accountants (Firm Registration No.: 000185N), be and is hereby appointed as the Statutory Auditors of the Company, in place of the retiring Statutory Auditors, M/s. V.P. Jain & Associates, Chartered Accountants (Firm Registration No.: 015260N), to hold office for a term of five consecutive years from the conclusion of forty third Annual General Meeting till the conclusion of forty eighth Annual General Meeting of the Company to be held in the year 2027, at such remuneration, as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors from time to time."

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, things and matters as may be necessary to give effect to the above Resolution(s)."

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**SPECIAL BUSINESS:****Item 5.**

Re-appointment of Ms. Tejal Jain (DIN: 09219682) as an Independent Director

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

**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other relevant provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and pursuant to the provisions of SEBI (Listing Obligations and Disclosures requirements) regulations, 2015, including any modification or amendment thereof, Articles of Association of the Company, approval and recommendation of the nomination and remuneration committee, and that of the Board, Tejal Jain (DIN: 09219682), who holds office as an Independent Non-Executive Director up to September 30, 2022 be and is hereby reappointed as an Independent Director, not liable to retire by rotation, for a second term of five consecutive years with effect from October 1<sup>st</sup>, 2022 i.e. upto September 30, 2027.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

**Item 6.**

Appointment of Mr. Vineet Bhutani (DIN: 02033791) as an Independent Director

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulations 16(1)(b), 25(2A) and other applicable Regulations, if any of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) including any modification or amendment thereof, Articles of Association of the Company, and on the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Vineet Bhutani (DIN: 02033791), who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations, and in respect of whom the Company has received notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Non-Executive Director of the Company, with effect from 1<sup>st</sup> October 2022, to hold office for a term of five consecutive years i.e. upto 30<sup>th</sup> September 2027.”

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

**Item 7.**

Appointment of Mr. Gautam Macker (DIN: 00542563) as an Independent Director

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulations 16(1)(b), 25(2A) and other applicable Regulations, if any of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) including any modification or amendment thereof, Articles of Association of the Company, and on the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Gautam Macker (DIN: 00542563), who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations, and in respect of whom the Company has received notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Non-Executive Director of the Company, with effect from 1<sup>st</sup> October 2022, to hold office for a term of five consecutive years i.e. upto 30<sup>th</sup> September 2027.”

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

#### **Item 8.**

Appointment of Mr. Vivek Sharma (DIN: 00278406) as an Independent Director

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulations 16(1)(b), 25(2A) and other applicable Regulations, if any of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) including any modification or amendment thereof, Articles of Association of the Company, and on the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Vivek Sharma (DIN: 00278406), who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations, and in respect of whom the Company has received notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Non-Executive Director of the Company, with effect from 1<sup>st</sup> October 2022, to hold office for a term of five consecutive years i.e. upto 30<sup>th</sup> September 2027.”

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

#### **Item 9.**

Appointment of Mr. Anurag Gupta (DIN: 00701005) as an Independent Director

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulations 16(1)(b), 25(2A) and other applicable Regulations, if any of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) including any modification or amendment thereof, Articles of Association of the Company, and

on the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Anurag Gupta (DIN: 00701005), who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations, and in respect of whom the Company has received notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Non-Executive Director of the Company, with effect from 1<sup>st</sup> October 2022, to hold office for a term of five consecutive years i.e. upto 30<sup>th</sup> September 2027."

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

#### Item 10.

Appointment of Mr. Sudhir Kalra (DIN: 09704840) as an Independent Director

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulations 16(1)(b), 25(2A) and other applicable Regulations, if any of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") including any modification or amendment thereof, Articles of Association of the Company, and on the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Sudhir Kalra (DIN: 09704840), who has submitted a declaration that he meets the criteria for independence as provided in the Act and Listing Regulations, and in respect of whom the Company has received notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Non-Executive Director of the Company, with effect from 1<sup>st</sup> October 2022, to hold office for a term of five consecutive years i.e. upto 30<sup>th</sup> September 2027."

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

#### NOTES

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs, Government of India ("MCA") issued General Circular Nos. 14/2020 dated 8<sup>th</sup> April 2020, 17/2020 dated 13<sup>th</sup> April 2020, 20/2020 dated 5<sup>th</sup> May 2020, 10/2021 dated 23<sup>rd</sup> June, 2021, 20/2021 dated 8<sup>th</sup> December 2021, 21/2021 dated 14<sup>th</sup> December 2021 and 03/2022 dated 5<sup>th</sup> May, 2022, respectively, ("MCA Circulars") allowing, inter-alia, conduct of AGMs through Video Conferencing/ Other Audio-Visual Means ("VC/ OAVM") facility on or before 31<sup>st</sup> December, 2022. In accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020 and in compliance with these Circulars, provisions of the Act, Securities and Exchange Board of India ("SEBI") vide its circular no., SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and circular no. SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated January 15, 2021 (collectively "SEBI Circulars") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 43<sup>rd</sup> AGM of the Company is being conducted through VC/ OAVM facility, which does not require physical presence of members at a common venue. The deemed venue for the 43<sup>rd</sup> AGM shall be the registered office of the Company.

The facility to attend the 43<sup>rd</sup> AGM of the company through Video Conference/Other Audio Visual means, in compliance with the provisions of MCA Circular as mentioned above by members/shareholders on the date of the AGM will be provided by Company's Registrars and Share Transfer Agents, M/s. Skyline Financial Services Private Limited.

2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

3. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities.

In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, the members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Share Transfer Agents, M/s Skyline Financial Services Private Limited for assistance in this regard.

4. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

5. In compliance with the aforesaid MCA and SEBI Circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website [www.cosco.in](http://www.cosco.in), websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of NSDL <https://www.evoting.nsdl.com>.

6. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

7. The Securities and Exchange Board of India (SEBI) has recently mandated furnishing of PAN, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by holders of securities. Effective from 1<sup>st</sup> January 2022, any service requests or complaints received from the member, will not be processed by RTA till the aforesaid details/ documents are provided to RTA. On or after 1<sup>st</sup> April 2023, in case any of the above cited documents/ details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s). Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at <https://www.cosco.in/investors/holder-of-physical-securities>.

8. Brief resume of Statutory Auditors and Directors proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and relevant provisions of the Companies Act, 2013 are annexed hereto read with the 'Report on Corporate Governance –Annexure D1 to the Directors' Report'. The Company is in receipt of relevant disclosures/consents from the Directors pertaining to their appointment/reappointment. A Statement pursuant to section 102 of the Act forms a part of this Notice. The Board of Directors has decided that the special business set out under item nos. 5,6,7,8,9 and 10 being considered necessary, be transacted at the Forty-Third AGM of the Company.

9. Members who have not registered their e-mail address so far are requested to register their e-mail address (or change, if any therein) with your Depository Participant (where shares are held in dematerialized form) or by sending an email to the Registrar and Share Transfer Agents, M/s Skyline Financial Services Pvt Ltd. stating clearly their name, folio no. if they are holding shares in physical form / DP Id & Client Id if they are holding shares in dematerialized form for receiving all communications including Annual Report, Notices, etc. from the Company electronically.

Members are requested to note that the Company's shares are under compulsory electronic trading for all investors. Members are, therefore, requested to dematerialise their shareholding to avoid inconvenience. Members whose shares are in electronic mode are requested to inform change of address and updates of bank account(s) to their respective Depository Participants.

10. All relevant documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during normal office hours on all working days except Sundays and Holidays between 10.00 A.M. – 01.00 P.M. up to the date of the Annual General Meeting of the Company.

11. Register of Members and the Transfer Books for Equity Shares of the Company shall remain closed from 24<sup>th</sup> September, 2022 to 30<sup>th</sup> September, 2022 (Both days inclusive) for the purpose of ascertaining the names of Members.

12. Please send all correspondence including requests for transfer/transmission/Demat of Shares, change of address etc. to the Registrar and Share Transfer Agents, M/s Skyline Financial Services Pvt. Ltd., D – 153 A, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase – I, New Delhi – 110020. Ph. 011-40450193 to 197 ,Fax: +91 11 26812682 E-mail ID:admin@skylinerta.com.

13. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company's RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio to facilitate better service. A consolidated share certificate will be issued to such Members after making requisite changes.

14.(i) Members seeking any information with regard to accounts or operations are requested to write to the Company latest by 20<sup>th</sup> September, 2022 through email on mail@cosco.in. The same will be replied by the Company suitably.

**(ii) Transfer of Unclaimed / Unpaid amounts to the Investor Education and Protection Fund (IEPF):**

Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund ("IEPF"), constituted by the Central Government. The Company is, accordingly required to transfer unpaid/ unclaimed dividend amount pertaining to Dividend of FY 2015-16 to the IEPF on 17<sup>th</sup> September, 2022.

The Company has sent notice on 17<sup>th</sup> June, 2022 to members having unpaid/ unclaimed dividends before transferring of such dividend(s) to IEPF. Details of the unpaid/unclaimed dividend are also uploaded on the website of the Company at www.cosco.in Members who have not encashed Dividend for FY 2015-16, are advised to write to the Company immediately.

Pursuant to the provisions of IEPF Rules, all shares in respect of which dividend has not been paid or claimed for seven consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority ("IEPF Account") within a period of thirty days of such shares becoming due to be transferred to the IEPF Account. Accordingly, equity shares of the Company on which the dividend remained unpaid/ unclaimed for seven consecutive years, are required to be transferred to the IEPF Account during the year 2022, after following the procedure prescribed.

Further, Members who have not claimed/ encashed their dividends in the last seven consecutive years from 2015 are advised to claim the same. In case valid claim is not received, the Company will proceed to transfer the respective shares to the IEPF Account in accordance with the prescribed procedure under the IEPF Rules.

**15. Voting Process :**

The Company has appointed C.S Mr. Ravi Sharma,(Membership No. 4468) Partner of M/s. R S M & Co, Practising Company Secretaries, 2E/207,2<sup>nd</sup> floor, Caxton House Jhandewalan Extension, New Delhi 110055; As scrutinizer to scrutinize the e-voting during the AGM and remote e-voting process in a fair and transparent

manner. Members may note that the VC/OAVM facility provided by Skyline Financials Services Private Limited, allows participation of at least 1,000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee Auditors, etc. can attend the AGM without any restriction on account of first-come-first-served principle. Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the meeting by following the procedure as mentioned in the notice.

**15.1 E-Voting Facility:** In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 and 21 of Companies (Management and Administration) Rules, 2014 as Amended by The Companies (Management and Administration) Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, April 13 and May 05, 2020, the Company is pleased to provide remote e-voting facility to all members of the Company to enable them to cast their votes electronically on the items/resolutions mentioned in this notice of the Annual General Meeting (AGM). The facility of casting votes by a member using remote e-voting system as well as e-voting on the date of the AGM will be provided by NSDL.

**The Instructions for Members for Remote E-Voting and Joining Annual General Meeting are as under:-**

The remote e-voting period begins on 26<sup>th</sup> September, 2022 at 09:00 A.M. and ends on 29<sup>th</sup> September, 2022 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 23<sup>rd</sup> September, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 23<sup>rd</sup> September, 2022.

**Cast vote electronically using NSDL e-Voting system**

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

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

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

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

Type of shareholders	Login Method
<p><b>Individual Shareholders holding securities in demat mode with NSDL.</b></p>	<ol style="list-style-type: none"> <li>Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a modewith NSDL. mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal</li> </ol>

	<p>Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e Voting period or joining virtual meeting &amp; voting during the meeting</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p>
	<p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; gap: 20px;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;">   </div>
<p><b>Individual Shareholders holding securities in demat mode with CDSL</b></p>	<ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>
<p><b>Individual Shareholders (holding securities in demat mode) login through their depository participants</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

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

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

Login type	Helpdesk details
<b>Individual Shareholders holding securities in demat mode with NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
<b>Individual Shareholders holding securities in demat mode with CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

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

**Log-in to NSDL e-Voting website**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
4. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
5. Your User ID details are given below :

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

6. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below

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**Process for those shareholders whose email ids are not registered.**

7. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
8. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
9. Now, you will have to click on "Login" button.
10. After you click on the "Login" button, Home page of e-Voting will open.

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

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

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**General Guidelines for Shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the scrutinizer by e-mail to [contact@csrsm.com](mailto:contact@csrsm.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will have to go through the "Forgot User Details/Password? Or "Physical User Reset Password? Option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Question (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 2244 30 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact Ms. Sarita Mote Assistant Manager National Securities Depository Limited, Trade World, 'A' Wing, 4<sup>th</sup> Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated e-mail [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in), who will also address the grievances connected with voting by electronic means. Members may also write to the Company Secretary at the Company's e-mail address [mail@cosco.in](mailto:mail@cosco.in); [sudha@cosco.in](mailto:sudha@cosco.in).

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [mail@cosco.in](mailto:mail@cosco.in); [sudha@cosco.in](mailto:sudha@cosco.in).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account Statement, PAN (self attested

scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to mail@cosco.in; sudha@cosco.in . If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**The Instructions for Members for e-Voting on the day of the Annual General Meeting are as under:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. Members who need assistance before or during the AGM can contact Ms. Sarita Mote, Asst. Manager, National Securities Depository Limited, Trade World, 'A' Wing, 4<sup>th</sup> Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, at the designated email id – evoting@nsdl.co.in or call on toll free no.: 1800 1020 990 and 1800 22 44 30.

**Instructions for Members for attending the AGM Through VC/OAVM are as under:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join General meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at sudha@cosco.in till September 28, 2022 (12:00 Noon IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The same will be replied by the company suitably. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
6. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date of 23<sup>rd</sup> September, 2022 may obtain the login ID and password by sending a request to Company's Registrar & Share Transfer Agent at admin@skylinerta.com or NSDL at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
7. You can also update your mobile number and email ID in the user profile details of the folio which may be used for sending future communication.

- 15.2 The Voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or voting at the AGM through e-voting.
- 15.3 The Scrutinizer shall, immediately after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), within 2 working days from the conclusion of the AGM, submit a consolidated Scrutinizer's report of the total votes cast in favour and against the resolution(s), invalid votes, if any, and whether the resolution(s) has/have been carried or not, to the Chairman or a person authorized by him in writing.
- 15.4 The Results of voting along with the report of the Scrutinizer shall be placed on the website of the Company [www.cosco.in](http://www.cosco.in) and on the website of NSDL, immediately after the declaration of result by the Chairman of the meeting or a person authorized by him. The results shall also be communicated to the stock exchange BSE Ltd. where the shares of the Company are listed. Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting i.e. September 30, 2022.
16. As per the provision of Section 72 of the Companies Act, 2013, the facility for making nomination is available for the Members in respect of the Shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website [www.cosco.in](http://www.cosco.in) Members holding shares in physical form may submit the same to Registrar and Share Transfer Agent of the Company, viz. M/s Skyline Financial Services Pvt. Ltd., Add: D – 153 A, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase – I, New Delhi – 110020. Members holding shares in electronic form may submit the same to their respective depository participants.

**By order of the Board of Directors**

Registered Office:  
2/8, Roop Nagar,  
Delhi -110007

**Devinder Kumar Jain**  
Managing Director and CEO  
(DIN: 00191539)

Place: Delhi  
Date: 26<sup>th</sup> August, 2022

## I. Details in terms of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

### Item No. 2

In terms of Section 152(6) of the Companies Act, 2013, Mr. Pankaj Jain (DIN: 00190414) shall retire by rotation at the forthcoming AGM and being eligible offers himself for re-appointment. Mr. Pankaj was appointed as a Whole-time Director of the Company designated as “Executive Director –for a period of three consecutive years with effect from 1<sup>st</sup> October, 2020. As per the terms of his appointment, his re-appointment at the 43<sup>rd</sup> AGM as a director retiring by rotation would not constitute break in his appointment as a Whole-time Director, designated as “Executive Director”.

Mr. Pankaj Jain aged 51 years, holds qualification of B. Com and MBA in Finance and has over 29 years of rich and exhaustive experience in Marketing and Finance.

He has held senior management positions during his career. He joined Cosco (India) Limited in 1998 and held positions of increasing responsibility in the marketing and finance.

Except Mr. Pankaj Jain, and his relatives (to the extent of their shareholding in the Company, if any) none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 2 of the accompanying Notice of the 43<sup>rd</sup> AGM.

Mr. Pankaj Jain is not related to any Director or Key Managerial Personnel of the Company. Upon his re-appointment as a director, Mr. Pankaj Jain shall continue to hold office as a Whole-time Director. Accordingly, the Board of Directors recommends his re-appointment to the members for their approval by way of an Ordinary Resolution as set out at Item No. 2 of the accompanying Notice of the 43<sup>rd</sup> AGM.

### Item No. 3

In terms of Section 152(6) of the Companies Act, 2013, Mr. Manish Jain (DIN: 00191593) shall retire by rotation at the forthcoming AGM and being eligible offers himself for re-appointment. Mr. Manish was appointed as a Whole-time Director of the Company designated as “Executive Director –for a period of three consecutive years with effect from 1<sup>st</sup> October, 2020. As per the terms of his appointment, his re-appointment at the 43<sup>rd</sup> AGM as a director retiring by rotation would not constitute break in his appointment as a Whole-time Director, designated as “Executive Director”.

Mr. Manish Jain aged 52 years, is a qualified Engineer holds MBA degree. He has over 29 years of rich and exhaustive experience in Marketing operations and research and development of new products.

He joined Cosco (India) Limited in 1998 and held positions of increasing responsibility in the marketing and research and development segment of the Company.

Shri Devinder Kumar Jain Managing Director and CEO of the Company being father of Mr. Manish Jain and Mr. Arun Jain Whole Time Director and their relatives (to the extent of their shareholding in the Company, if any) are interested in the resolution set out at Item No. 3, of the Notice.

Upon his re-appointment as a director, Mr. Manish Jain shall continue to hold office as a Whole-time Director. Accordingly, the Board of Directors recommends his re-appointment to the members for their approval by way of an Ordinary Resolution as set out at Item No. 3 of the accompanying Notice of the 43<sup>rd</sup> AGM.

### Item No. 4

In accordance with Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, M/s. V.P. Jain & Associates, Chartered Accountants (ICAI Registration No.: 015260N), Statutory Auditors of the Company shall retire at the conclusion of the 43<sup>rd</sup> AGM of the Company after completion of their term of appointment for 5 years. The Board of Directors of the Company at their meeting held on 26<sup>th</sup> August

2022, on the recommendation of the Audit Committee, have recommended the appointment of M/s. Madan & Associates, Chartered Accountants (ICAI Registration No.: 000185N) as the Statutory Auditors of the Company in the place of the retiring Auditors, by the members at the 43<sup>rd</sup> AGM of the Company for a term of five consecutive years from the conclusion of 43<sup>rd</sup> AGM till the conclusion of 48<sup>th</sup> AGM of the Company to be held in the year 2027, at an annual remuneration of Rs. 5.5 Lakhs for Audit and Assurance services the year ending 31<sup>st</sup> March 2023, plus out of pocket expenses and applicable taxes. The remuneration for the subsequent year(s) of their term shall be determined based on the recommendation of the Audit Committee and as mutually agreed between the Board of Directors of the Company and the Statutory Auditors. There is no material change in the remuneration paid to M/s. V. P. Jain & Associates, Chartered Accountants the retiring Statutory Auditors, for the statutory audit conducted for the year ended 31<sup>st</sup> March 2022 and the remuneration proposed to be paid to M/s. Madan & Associates, Chartered Accountants for the year ending 31<sup>st</sup> March 2023.

After evaluating all proposals and considering various factors such as independence, industry experience, technical skills, audit team, audit quality reports, etc., M/s. Madan & Associates, Chartered Accountants has been recommended to be appointed as the Statutory Auditors of the Company.

M/s. Madan & Associates, is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. It has its registered office at Kailash Building, K.G. Marg New Delhi-110 001. It is primarily engaged in providing audit and assurance services to its clients.

Pursuant to Section 139 of the Companies Act, 2013 and the rules framed thereunder, the Company has received written consent from M/s. Madan & Associates Chartered Accountants and a certificate that they satisfy the criteria provided under Section 141 of the Companies Act, 2013 and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. Madan & Associates, has confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI. None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice of the 43<sup>rd</sup> AGM. Accordingly, the Board of Directors recommends aforesaid appointment to the members for their approval by way of an Ordinary Resolution as set out at Item No. 4 of the accompanying Notice of the 43<sup>rd</sup> AGM.

## **II. EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item No. 5**

Ms. Tejal Jain was appointed as an Independent Director of the Company pursuant to Section 149 of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014, by the members at the AGM held on September 30, 2021, to hold office up to September 30, 2022. She is due for retirement from the first term as an Independent Director on September 30, 2022. Ms. Tejal Jain, aged about 32 years, is a member of The Institute of Chartered Accountants of India having around 10 years of experience in practice. She has diversified knowledge of finance, taxation and corporate laws and has specialised experience for providing financial, taxation and legal consultancy and expertise in conducting Statutory Audits

The nomination and remuneration committee, at its meeting held on August 26<sup>th</sup>, 2022, after taking into account the performance evaluation of Ms. Tejal Jain during her first term and considering her knowledge, acumen, expertise, experience and substantial contribution and time commitment, has recommended to the Board her reappointment for a second term of five years. The nomination and remuneration committee has considered her diverse skills, leadership capabilities, expertise in governance and finance, among others, as being key requirements for this role.

In view of the above, the nomination and remuneration committee and the Board are of the view that Ms. Tejal Jain possesses the requisite skills and capabilities, which would be of immense benefit to the Company, and hence, it is desirable to reappoint her as an Independent Director. Based on the recommendation of the nomination and remuneration committee, the Board, at its meeting held on August 26<sup>th</sup>, 2022, has recommended the reappointment of Ms. Tejal Jain as an Independent Director, not liable to retire by rotation,

for a second term of five years effective October 1, 2022 to September 30, 2027. In accordance with the provisions of Section 149 of the Companies Act, 2013, an Independent Director may hold office for two consecutive terms.

Ms. Tejal Jain fulfills the requirements of an Independent Director as laid down under Section 149(6) of the Companies Act, 2013, and Regulation 16 of the LODR Regulations. The Company has received all statutory disclosures / declarations from Ms. Tejal Jain, including (i) consent in writing to act as director in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 (“the Appointment Rules”), (ii) intimation in Form DIR-8 in terms of the Appointment Rules to the effect that She is not disqualified under sub-section (2) of Section 164 of the Act, and (iii) a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013. The Company has also received a notice under Section 160 of the Companies Act, 2013 from a member, intending to nominate Ms. Tejal Jain to the office of Independent Director.

In the opinion of the Board and based on its evaluation, Ms. Tejal Jain fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder and LODR Regulations for her reappointment as an Independent Director of the Company and she is independent of the Management of the Company. A copy of the draft letter setting out the terms and conditions for appointment of Independent Director is available for electronic inspection without any fee by the members.

The Resolution seeks the approval of members for the reappointment of Ms. Tejal Jain as an Independent Director of the Company effective October 1, 2022 up to September 30, 2027, pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and her office shall not be liable to retire by rotation.

No director, key managerial personnel or their relatives except Ms. Tejal Jain, to whom the resolution relates, is interested in or concerned, financially or otherwise, in passing the proposed resolution set out in item no. 5. Board of Directors recommends her appointment to the members for their approval by way of Special Resolution(s) as set out at Item No. 5 of the accompanying Notice of the 43<sup>rd</sup> AGM.

#### **Item No. 6**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors on 26<sup>th</sup> August, 2022 has recommended, appointment of Mr. Vineet Bhutani (DIN: 02033791) as an Independent Non-Executive Director of the Company for a term of five consecutive years to hold office from 1<sup>st</sup> October 2022 to 30<sup>th</sup> September 2027, to the members for their approval by way of special resolution(s), in terms of the Companies Act, 2013 (“the Act”) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). The Company has received a Notice from a Member in writing under Section 160(1) of the Act proposing his candidature for the office of Director. The Company has also received from Mr. Vineet Bhutani consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act; and (iii) a declaration to the effect that he meets the criteria of independence as provided under Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations.

Mr. Vineet Bhutani, aged 59 years, holds a Bachelors in ELECTRIC ENGG. from M.S.R.I.T Bengaluru also known as RAMAIAH Institute of Technology. He has experience in the area of sales and marketing.

Mr. Vineet Bhutani holds Directorship of the understated Companies:  
- Hydrobaths Ramco Marketing Private Limited, New Form India Private Limited, Bravat India Private Limited,

Further, Mr. Vineet Bhutani has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Company.

Mr. Vineet Bhutani has also confirmed that he is not debarred from holding the office of a Director by virtue of any Order passed by SEBI or any such authority. Mr. Vineet Bhutani is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

Mr. Vineet Bhutani is a person of integrity and fulfils the conditions specified under the Act read with Rules thereunder and the Listing Regulations for his appointment as an Independent Non-Executive Director of the Company and is independent of the Management.

Mr. Vineet Bhutani does not hold by himself or for any other person on a beneficial basis, any shares in the Company. In the opinion of the Board of Directors, Mr. Vineet Bhutani fulfils the conditions specified in the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for his appointment as an Independent Non-Executive Director of the Company.

The Board of Directors considers that his association would be of immense benefit to the Company, and it is desirable to avail services of Mr. Vineet Bhutani as an Independent Non-Executive Director for a term of five consecutive years from 1<sup>st</sup> October 2022 to 30<sup>th</sup> September, 2027. Mr. Vineet Bhutani would bring with his experience to the Company in the areas sales and marketing. Accordingly, the Board of Directors recommends his appointment to the members for their approval by way of Special Resolution(s) as set out at Item No. 6 of the accompanying Notice of the 43<sup>rd</sup> AGM. The electronic copy of the draft letter setting out the terms and conditions for appointment of Independent Directors is available on the website of the Company at [www.cosco.in](http://www.cosco.in).

Except Mr. Vineet Bhutani, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the accompanying Notice of the 43<sup>rd</sup> AGM. Mr. Vineet Bhutani is not related to any Director or Key Managerial Personnel of the Company. As an Independent Director, Mr. Vineet Bhutani will be entitled to sitting fees for attending Board meeting(s) of the Board of Directors for any other purpose, whatsoever as may be decided by the Board of Directors of the Company in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

#### **Item No. 7**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors on 26<sup>th</sup> August, 2022 has recommended, appointment of Mr. Gautam Macker (DIN: 00542563) as an Independent Non-Executive Director of the Company for a term of five consecutive years to hold office from 1<sup>st</sup> October 2022 to 30<sup>th</sup> September 2027, to the members for their approval by way of special resolution(s), in terms of the Companies Act, 2013 ("the Act") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Company has received a Notice from a Member in writing under Section 160(1) of the Act proposing his candidature for the office of Director. The Company has also received from Mr. Gautam Macker consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act; and (iii) a declaration to the effect that he meets the criteria of independence as provided under Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations.

Mr. Gautam Macker, aged 50 years, holds degree in Master in Business Administration (MBA) from - Fore school of Management and Maastricht school of management New Delhi.

He has experience in the area of Business administration and human resources management.

Mr. Gautam Macker holds Directorship of the understated Companies:  
-MAC Coatings Private Limited, Brooks Cottages Private Limited, PNGP Land and Infrastructure Private Limited, OWN Interiors Private Limited.

Further, Mr. Gautam Macker has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Company.

Mr. Gautam Macker has also confirmed that he is not debarred from holding the office of a Director by virtue of any Order passed by SEBI or any such authority. Mr. Gautam Macker is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

Mr. Gautam Macker is a person of integrity and fulfils the conditions specified under the Act read with Rules thereunder and the Listing Regulations for his appointment as an Independent Non-Executive Director of the Company and is independent of the Management.

Mr. Gautam Macker does not hold by himself or for any other person on a beneficial basis, any shares in the Company. In the opinion of the Board of Directors, Mr. Gautam Macker fulfils the conditions specified in the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for his appointment as an Independent Non-Executive Director of the Company.

The Board of Directors considers that his association would be of immense benefit to the Company, and it is desirable to avail services of Mr. Gautam Macker as an Independent Non-Executive Director for a term of five consecutive years from 1<sup>st</sup> October 2022 to 30<sup>th</sup> September, 2027. Mr. Gautam Macker would bring with his experience to the Company in the areas of Business Administration and human resource management. Accordingly, the Board of Directors recommends his appointment to the members for their approval by way of Special Resolution(s) as set out at Item No. 7 of the accompanying Notice of the 43<sup>rd</sup> AGM. The electronic copy of the draft letter setting out the terms and conditions for appointment of Independent Directors is available on the website of the Company at [www.cosco.in](http://www.cosco.in).

Except Mr. Gautam Macker, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the accompanying Notice of the 43<sup>rd</sup> AGM. Mr. Gautam Macker is not related to any Director or Key Managerial Personnel of the Company. As an Independent Director, Mr. Gautam Macker will be entitled to sitting fees for attending Board meeting(s) of the Board of Directors for any other purpose, whatsoever as may be decided by the Board of Directors of the Company in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

#### **Item No. 8**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors on 26<sup>th</sup> August, 2022 has recommended, appointment of Mr. Vivek Sharma (DIN: 00278406) as an Independent Non-Executive Director of the Company for a term of five consecutive years to hold office from 1<sup>st</sup> October 2022 to 30<sup>th</sup> September 2027, to the members for their approval by way of special resolution(s), in terms of the Companies Act, 2013 ("the Act") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Company has received a Notice from a Member in writing under Section 160(1) of the Act proposing his candidature for the office of Director. The Company has also received from Mr. Vivek Sharma consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act; and (iii) a declaration to the effect that he meets the criteria of independence as provided under Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations.

Mr. Vivek Sharma, aged 57 years, holds degree in DNB Radiodiagnosis from National Board of Examination New Delhi.

He has experience in the area of health & fitness and business administration. Due to his medical knowledge and clinical experience he can bring a substantial added value in the Board.

Further, Mr. Vivek Sharma has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Company.

Mr. Vivek Sharma has also confirmed that he is not debarred from holding the office of a Director by virtue of any Order passed by SEBI or any such authority. Mr. Vivek Sharma is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

Mr. Vivek Sharma is a person of integrity and fulfils the conditions specified under the Act read with Rules thereunder and the Listing Regulations for his appointment as an Independent Non-Executive Director of the Company and is independent of the Management.

Mr. Vivek Sharma holds by himself 100 Equity Shares in the Company. In the opinion of the Board of Directors, Mr. Vivek Sharma fulfils the conditions specified in the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for his appointment as an Independent Non-Executive Director of the Company.

The Board of Directors considers that his association would be of immense benefit to the Company, and it is desirable to avail services of Mr. Vivek Sharma as an Independent Non-Executive Director for a term of five consecutive years from 1<sup>st</sup> October 2022 to 30<sup>th</sup> September, 2027. Mr. Vivek Sharma would bring with his experience to the Company in the areas of health & fitness and business administration. Accordingly, the Board of Directors recommends his appointment to the members for their approval by way of Special Resolution(s) as set out at Item No. 8 of the accompanying Notice of the 43<sup>rd</sup> AGM. The electronic copy of the draft letter setting out the terms and conditions for appointment of Independent Directors is available on the website of the Company at [www.cosco.in](http://www.cosco.in).

Except Mr. Vivek Sharma, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the accompanying Notice of the 43<sup>rd</sup> AGM. Mr. Vivek Sharma is not related to any Director or Key Managerial Personnel of the Company. As an Independent Director, Mr. Vivek Sharma will be entitled to sitting fees for attending Board meeting(s) of the Board of Directors for any other purpose, whatsoever as may be decided by the Board of Directors of the Company in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

#### **Item No. 9**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors on 26<sup>th</sup> August, 2022 has recommended, appointment of Mr. Anurag Gupta (DIN: 00701005) as an Independent Non-Executive Director of the Company for a term of five consecutive years to hold office from 1<sup>st</sup> October 2022 to 30<sup>th</sup> September 2027, to the members for their approval by way of special resolution(s), in terms of the Companies Act, 2013 ("the Act") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Company has received a Notice from a Member in writing under Section 160(1) of the Act proposing his candidature for the office of Director. The Company has also received from Mr. Anurag Gupta consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act; and (iii) a declaration to the effect that he meets the criteria of independence as provided under Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations.

Mr. Anurag Gupta, aged 50 years, is graduate from Delhi University. He has experience to his credit in looking after imports- exports and marketing of products.

Mr. Anurag Gupta holds Directorship of the understated Companies:  
- Gopala Securities Private Limited, Sunshine Manufacturing LLP.

Further, Mr. Anurag Gupta has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Company.

Mr. Anurag Gupta has also confirmed that he is not debarred from holding the office of a Director by virtue of any Order passed by SEBI or any such authority. Mr. Anurag Gupta is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

Mr. Anurag Gupta is a person of integrity and fulfils the conditions specified under the Act read with Rules thereunder and the Listing Regulations for his appointment as an Independent Non-Executive Director of the Company and is independent of the Management.

Mr. Anurag Gupta does not hold by himself or for any other person on a beneficial basis, any shares in the Company. In the opinion of the Board of Directors, Mr. Anurag Gupta fulfils the conditions specified in the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for his appointment as an Independent Non-Executive Director of the Company.

The Board of Directors considers that his association would be of immense benefit to the Company, and it is desirable to avail services of Mr. Anurag Gupta as an Independent Non-Executive Director for a term of five consecutive years from 1<sup>st</sup> October 2022 to 30<sup>th</sup> September, 2027. Mr. Anurag Gupta would bring with his experience to the Company in the areas of imports- exports and marketing of products. Accordingly, the Board of Directors recommends his appointment to the members for their approval by way of Special Resolution(s) as set out at Item No. 9 of the accompanying Notice of the 43<sup>rd</sup> AGM. The electronic copy of the draft letter setting out the terms and conditions for appointment of Independent Directors is available on the website of the Company at [www.cosco.in](http://www.cosco.in).

Except Mr. Anurag Gupta, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the accompanying Notice of the 43<sup>rd</sup> AGM. Mr. Anurag Gupta is not related to any Director or Key Managerial Personnel of the Company. As an Independent Director, Mr. Anurag Gupta will be entitled to sitting fees for attending Board meeting(s) of the Board of Directors for any other purpose, whatsoever as may be decided by the Board of Directors of the Company in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

#### **Item No. 10**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors on 26<sup>th</sup> August, 2022 has recommended, appointment of Mr. Sudhir Kalra (DIN: 09704840) as an Independent Non-Executive Director of the Company for a term of five consecutive years to hold office from 1<sup>st</sup> October 2022 to 30<sup>th</sup> September 2027, to the members for their approval by way of special resolution(s), in terms of the Companies Act, 2013 ("the Act") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Company has received a Notice from a Member in writing under Section 160(1) of the Act proposing his candidature for the office of Director. The Company has also received from Mr. Sudhir Kalra consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act; and (iii) a declaration to the effect that he meets the criteria of independence as provided under Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations.

Mr. Sudhir Kalra, aged 59 years, is graduate in B.A Economics Honours from Sri Ram Collage of Commerce, New Delhi.

He has experience in the field of export, marketing and finance.

Further, Mr. Sudhir Kalra has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Company.

Mr. Sudhir Kalra has also confirmed that he is not debarred from holding the office of a Director by virtue of any Order passed by SEBI or any such authority. Mr. Sudhir Kalra is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

Mr. Sudhir Kalra is a person of integrity and fulfils the conditions specified under the Act read with Rules thereunder and the Listing Regulations for his appointment as an Independent Non-Executive Director of the Company and is independent of the Management.

Mr. Sudhir Kalra does not hold by himself or for any other person on a beneficial basis, any shares in the Company. In the opinion of the Board of Directors, Mr. Sudhir Kalra fulfils the conditions specified in the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for his appointment as an Independent Non-Executive Director of the Company.

The Board of Directors considers that his association would be of immense benefit to the Company, and it is desirable to avail services of Mr. Sudhir Kalra as an Independent Non-Executive Director for a term of five consecutive years from 1<sup>st</sup> October 2022 to 30<sup>th</sup> September, 2027. Mr. Sudhir Kalra would bring with his experience to the Company in the areas of export, marketing & finance. Accordingly, the Board of Directors recommends his appointment to the members for their approval by way of Special Resolution(s) as set out at Item No. 10 of the accompanying Notice of the 43<sup>rd</sup> AGM. The electronic copy of the draft letter setting out the terms and conditions for appointment of Independent Directors is available on the website of the Company at [www.cosco.in](http://www.cosco.in).

Except Mr. Sudhir Kalra, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 10 of the accompanying Notice of the 43<sup>rd</sup> AGM. Mr. Sudhir Kalra is not related to any Director or Key Managerial Personnel of the Company. As an Independent Director, Mr. Sudhir Kalra will be entitled to sitting fees for attending Board meeting(s) of the Board of Directors for any other purpose, whatsoever as may be decided by the Board of Directors of the Company in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

Details of the Directors retiring by rotation seeking Appointment/Reappointment at the forthcoming Annual General Meeting in pursuance of the Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and relevant provisions of the Companies Act, 2013 and Secretarial Standard-2 of ICSI.

<b>Name of Director</b>	<b>Mr. Pankaj Jain (DIN:00190414)</b>	<b>Mr. Manish Jain (DIN:00191593)</b>
Date of Birth & Age	7 <sup>th</sup> August, 1971, 51 Years	17 <sup>th</sup> November, 1970, 52 Years
Date of Appointment	1 <sup>st</sup> April, 1998	1 <sup>st</sup> April, 1998
Expertise in specific Functional/Professional areas	Finance and Marketing and development of new products for International market.	Managing Plant operations and production and associated with research and developments of new products
Qualifications	B.Com and MBA	Qualified Engineer and MBA
Details of Directorships held in other Companies	The Sports Goods Export Promotion Council.	-
Chairman/Member of the Committee of Board other Public Limited Companies	Member of Stakeholder's Relationship Committee and Corporate Social responsibility Committee in Cosco (India) Limited	Nil
Number of Meetings of the Board Attended during FY 21-22	6	5
Number of Shares held in the Company	3,14,140 Equity Shares in his individual capacity and 17,700 Equity Shares as Karta of Pankaj Jain H.U.F.	91,400 Equity Shares in his Individual capacity and 12,700 Equity Shares as Karta of Manish Jain H.U.F.
Disclosure of relationships between Directors inter-se	Not related to any Director or KMP	Shri Devinder Kumar Jain (Father), Mr. Arun Jain (Brother)

<b>Name of Director</b>	<b>Ms. Tejal Jain (DIN:09219682)</b>	<b>Mr. Vineet Bhutani (DIN:02033791)</b>
Date of Birth & Age	9 <sup>th</sup> October, 1990, 32 Years	20 <sup>th</sup> June, 1963, 59 Years
Date of Appointment	30 <sup>th</sup> June, 2021 (1st Term)	1 <sup>st</sup> October, 2022
Expertise in specific Functional/Professional areas	Diversified knowledge of finance, taxation and corporate laws and has specialised experience for providing financial, taxation and legal consultancy. Expertise in conducting Statutory Audit.	Experience in the area of sales and marketing.
Qualifications	Member of the Institute of Chartered Accountants of India (ICAI)	Bachelor in ELECTRIC ENGG. from M.S.R.I.T Bengaluru also known as RAMAIAH Institute of Technology.
Details of Directorships held in other Companies	-	-Hydrobaths Ramco Marketing Private Limited, -New Form India Private Limited, -Bravat India Private Limited.
Chairman/Member of the Committee of Board other Public Limited Companies	Chairperson of Stakeholder's Relationship Committee in Cosco (India) Limited	-
Number of Meetings of the Board Attended during FY 21-22	4	-
Number of Shares held in the Company	-	-
Disclosure of relationships between Directors inter-se	Not related to any Director or KMP	Not related to any Director or KMP

Name of Director	<b>Mr. Gautam Macker (DIN:00542563)</b>	<b>Mr. Vivek Sharma (DIN:00278406)</b>
Date of Birth & Age	12 <sup>th</sup> January, 1972, 50 Years	15 <sup>th</sup> August, 1965, 57 Years
Date of Appointment	1 <sup>st</sup> October, 2022	1 <sup>st</sup> October, 2022
Expertise in specific Functional/Professional areas	Experience in the area of Business administration and human resource management.	Experience in the area of administration and health & fitness
Qualifications	Master in Business Administration (MBA) from FORE School of Management New Delhi.	DNB Radiodiagnosis from National Board of Examination New Delhi.
Details of Directorships held in other Companies	-MAC Coatings Private Limited, -Brooks Cottages Private Limited, -PNGP Land and Infrastructure Private Limited, -OWN Interiors Private Limited.	-
Chairman/Member of the Committee of Board other Public Limited Companies	-	-
Number of Meetings of the Board Attended during FY 21 -22	-	-
Number of Shares held in the Company	-	100 Equity Shares in his individual capacity
Disclosure of relationships between Directors inter-se	Not related to any Director or KMP	Not related to any Director or KMP

<b>Name of Director</b>	<b>Mr. Anurag Gupta (DIN:00701005)</b>	<b>Mr. Sudhir Kalra (DIN:09704840)</b>
Date of Birth & Age	20 <sup>th</sup> November, 1971, 50 Years	4 <sup>th</sup> December, 1962, 59 Years
Date of Appointment	1 <sup>st</sup> October, 2022	1 <sup>st</sup> October, 2022
Expertise in specific Functional/Professional areas	Experience in imports- exports and marketing of products	Experience in the field of export, marketing and finance.
Qualifications	Graduate from Delhi University.	Graduate in B.A Economics Honours from Sri Ram Collage of Commerce New Delhi.
Details of Directorships held in other Companies	- Sunshine Manufacturing LLP - Gopala Securities Private Limited	-
Chairman/Member of the Committee of Board other Public Limited Companies	-	-
Number of Meetings of the Board Attended during FY 21 -22	-	-
Number of Shares held in the Company	-	-
Disclosure of relationships between Directors inter-se	Not related to any Director or KMP	Not related to any Director or KMP

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 43<sup>rd</sup> Board's Report, along with the Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows, for the financial year ended March 31<sup>st</sup>, 2022.

## FINANCIAL RESULTS

Particulars	Current Year ended 31.03.2022 (₹ in Lakhs)	Previous Year ended 31.03.2021 (₹ in Lakhs)
Revenue from operations	13,611.82	14,799.28
Other income	89.25	91.40
Total revenue	13,701.07	14,890.68
Total Expenses before Depreciation and amortisation expenses and Finance costs	12,816.85	13,698.45
Profit before Depreciation & Amortisation, Finance costs and Tax expense	884.22	1,192.23
Less: Depreciation/ Amortisation/ Impairment	165.54	152.06
Profit before Finance costs and Tax expense	718.68	1,040.17
Less: Finance costs	467.77	408.15
Profit before Tax expense	250.91	632.02
Tax expenses:		
Current tax	78.35	178.02
Tax adjustment related to earlier years	0.15	-
Deferred tax	(19.60)	3.20
Total Tax:	58.90	181.22
Profit for the period from continuing operations	192.01	450.80
Other Comprehensive Income		
i) Items that will not be reclassified to profit or (loss)	27.12	0.57
ii) Income tax relating to items that will not be reclassified to profit or (loss)	(6.82)	(0.14)
Total Comprehensive Income for the year	212.31	451.23

## COMPANY'S PERFORMANCE AND STATE OF AFFAIRS FOR FINANCIAL YEAR 2021-22

The Revenue from Sale of Products for the current year ended 31.03.2022 was ₹ 13,583.02 Lakhs against previous year's sales of ₹ 14,747.02 Lakhs—registering a decline in sales of about 8.57% over the previous year. The exports were higher at ₹ 243.10 Lakhs (Previous year ₹ 214.61 Lakhs) in F.O.B value terms. The Revenue from services for the current year amounted to ₹ 5.48 Lakhs (Previous year ₹ 3.51 Lakhs). Other Operating Income was ₹ 23.32 Lakhs (Previous Year ₹ 48.75 Lakhs) which includes Export Incentives viz. Duty Drawback ₹ 3.31 Lakhs (Previous Year ₹ 3.88 Lakhs) & PFSL nil (Previous Year ₹ 4.62 Lakhs).

Due to Lockdown/restrictions in many states in the second wave of Covid19 during April and May, 2021, Our company's operations were also impacted during the first quarter of FY 2021-22. The Economic activity picked up pace in June-July with easing of pandemic containment measures. Accelerated rates of vaccination and substantially reduced mobility restrictions have improved consumer confidence (Deloitte Insights).

According to Central Statistical Office, the Indian Economy grew by 8.7% in FY 21-22 compared to that of a negative growth of 6.6% in the previous FY 2020-21. So, India has crossed the pre-pandemic level of its GDP. The 8.7% growth considered as a respectable achievement of the Indian economy. However, the Indian Economy has been facing several new challenges. This is reflected even in the last quarters of FY 21-22. In the fourth quarter, India grew only by 4.1% compared to that of the same quarter of FY 20-21. RBI in the last meeting of MPC held in August 2022 taking various economic factors into consideration and risks broadly balanced, has retained the real GDP growth projection for 2022-23 at 7.2 per cent, with Q1 at 16.2 per cent; Q2 at 6.2 per cent; Q3 at 4.1 per cent; and Q4 at 4.0 per cent, . Real GDP growth for Q1:2023-24 is projected at 6.7 per cent

On the Global front , International Monetary Fund in its World Economic Outlook Report published in July 2022 foresee gloomy and uncertain economic outlook. As per the Report Global output contracted in the second quarter of this year, owing to downturns in China and Russia, while US consumer spending undershot expectations. Several shocks have hit a world economy already weakened by the pandemic: higher-than-expected inflation worldwide—especially in the United States and major European economies—triggering tighter financial conditions; a worse-than-anticipated slowdown in China, reflecting COVID- 19 outbreaks and lockdowns; and further negative spillovers from the war in Ukraine. The baseline forecast is for growth to slow from 6.1 percent last year to 3.2 percent in 2022, Global inflation has been revised up due to food and energy prices as well as lingering supply-demand imbalances, and it is anticipated to reach 6.6 percent in advanced economies and 9.5 percent in emerging market and developing economies this year.

There is consistent demand of Sports goods and Health & Fitness goods from Individuals and Households. 'COSCO' is a leading brand in the Sports and Fitness segment in the domestic market. The management is optimistic about the better performance of the Company during the current year both in terms of sales and profitability and will be on the growth path in the subsequent years. The Management is continuously taking effective steps to further boost 'COSCO' Brand Value, which will help in driving growth. .

The Company is expanding its product range of quality products and the marketing network in its endeavor to improve top line as well as net margins. The Company manufactures/source internationally at competitive prices quality products and develop/source new products on regular basis. The company has also initiated steps for production of some of substitutes under 'Aatma Nirbhar Bharat Abhiyan'.

The company is closely monitoring the impact of Covid19 and given the uncertainties regarding the third wave, the final impact of company's assets may differ from the estimated as at the date of approval of these financial results. The company is hopeful that there would not be any impact on the recoverability of carrying amount of the assets.

The Company has not laid off any employee due to Covid-19 pandemic situation. The Management focused to ensure health and well being of all its Employees and has taken all necessary safety measures to run the organization. Our strategic objective is to build a sustainable and resilient organization that remains relevant to the agenda of our clients, while creating growth opportunities for our employees, generating profitable returns for our investors and contributing to the communities that we operate in.

The Net Worth of the Company as at 31.03.2022 was ₹ 4,584.49 Lakhs (Previous Year ₹ 4,372.18 Lakhs).

Status of Investments made in the erstwhile Subsidiary Company M/s Cosco Polymer Lanka (Private) Limited (CPLPL): As reported in earlier year(s), M/s Cosco Polymer Lanka (Private) Limited, has been scheduled in the Revival of Underperforming Enterprises or Underutilized Assets Act, No 43 of 2011(of Sri Lanka). The Shares of the WOS are vested in Secretary to the Treasury of Government of Sri Lanka pursuant to

acquisition by the Government under 'Revival of Under Performing Enterprises or Under Utilized Assets Act of Sri Lanka (Act No. 43 of 2011)'. Competent Authority appointed under the Act is controlling, administering and managing such Enterprises/Units/Assets. The Act (of Sri Lanka), provides for payment of compensation to the Shareholders. The Compensation Tribunal vide its letter Ref: Com T/01/27 dated 08.12.2015, has allowed compensation of LKR 480 lakhs (Equivalent INR 124.03\* lakhs) and after deducting LKR 16.74 lakhs ( due for Board of Investment (BOI ) of Sri Lanka as at the date of vesting, the net compensation payable is LKR 463.26 lakhs (Equivalent INR 119.70\* lakhs) . The amount is yet to be released and the same shall be credited to Liquidator, since Cosco Polymer Lanka (Private) Ltd. has been ordered to be wound up by the Hon'ble High Court of the Western Province, (Exercising Civil Jurisdiction in Colombo (Sri Lanka)- Case Ref. No. HC (Civil) 40/2013(CO). The management does not expect any net realisable value of its investment in the erstwhile subsidiary. However realisation, if any, shall be accounted for in the year of actual receipt.

"Consolidated Financial Statements" as per Accounting Standard 21/Ind AS 110 issued by the Institute of Chartered Accountants of India, have not been prepared since the company is under liquidation.

\*INR Figures as per Exchange Rate as on 31.03.2022 > 1 LKR =0.2584 INR

## **DIVIDEND**

Board does not recommend any dividend for Financial Year 2021-22 to consolidate financial position of the Company.

## **TRANSFERS TO RESERVES**

The opening balance of General Reserve is ₹ 1,125.17 Lakhs and same is retained as on 31.03.2022. The Board of Directors of your company, has decided not to transfer any amount to the Reserves for the year under review. The balance in Retained earnings ₹ 2720.58 Lakhs (Previous year ₹ 2528.56 Lakhs) includes Current year's Net Profit from continuing operations ₹ 192.01 Lakhs (Previous year ₹ 450.80 Lakhs).

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Sections 134 (3) (c) and 134(5) of the Companies Act, 2013, your Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them and based on the internal controls, compliance systems established and maintained by the Company, make the following statement that:

- i. in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii. the Directors 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 as at 31<sup>st</sup> March, 2022 and of the profit of the Company for the year ended on that date;
- iii. 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;
- iv. the Directors have prepared the annual accounts on a going concern basis;
- v. the Directors have laid down internal financial controls to be followed by the Company and generally such internal financial controls are adequate and operating effectively; and
- vi. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2022 and shall take needful effective steps / corrective measures in some areas, which need improvement as reported by the Auditors.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with provisions of the Act and the Articles of Association of the Company, Mr. Manish Jain (DIN: 00191593) and Mr. Pankaj Jain (DIN:00190414) Directors of the Company retire by rotation at the ensuing Annual General Meeting and, being eligible, offers themselves for re-appointment. Board recommends their reappointment.

Your Directors inform with deep sorrow the sad demise of Shri Vijay Kumar Sood (DIN:01525607), Independent Director of the Company, on 28<sup>th</sup> April, 2021 and pay their homage to the departed soul. The Board acknowledges the invaluable contribution and guidance provided by him during his term in the Board.

Ms. Tejal Jain has been appointed by Board as an Independent Director of the Company, not liable to retire by rotation to fill the casual vacancy caused by the death of Shri Vijay Kumar Sood, Independent Director w.e.f 30<sup>th</sup> June, 2021 to 30<sup>th</sup> September, 2022 and same was approved by members in the 42<sup>nd</sup> AGM held on 30<sup>th</sup> September, 2021.

Ms. Tejal Jain (DIN: 09219682) Independent Director, will complete her 1st term of appointment on 30th September 2022 and has given her consent for re-appointment for a second term of 5 years pursuant to the provisions of Section 149 of the Act and SEBI Listing Regulations.

Based on the recommendation of the Nomination and Remuneration Committee of the Company and being satisfied on the performance evaluation, considering the background and experience, the Board at its Meeting held on 26<sup>th</sup> August 2022 has recommended the re-appointment of Ms. Tejal Jain as Independent Directors for a second term of five years w.e.f 01.10.2022 for the approval of the Members at the 43<sup>rd</sup> Annual General Meeting by way of special resolution.

The terms and conditions of appointment of Independent Directors are available on the website of the Company at [www.cosco.in](http://www.cosco.in). No Director has resigned from the Board during the financial year under review.

Pursuant to the Provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 An Independent Director can be appointed for maximum of 2 terms subject to 5 consecutive years in one term. As Shri Mohan Lal Mangla, Shri Mahavir Prasad Gupta, Shri Sunil Jain, Shri Vijender Kumar Jain and Ms. Nisha Paul Independent Directors of the Company have successfully completed their 2<sup>nd</sup> term of appointment as Independent Director of the Company. All the Independent Director(s) as mentioned here will cease to be the Independent Directors of the Company upon completion of their term on 30<sup>th</sup> September, 2022.

All above said Directors joined the Board as an Independent Director under the Companies Act, 2013 in the year 2014 and since then the Company has immensely benefitted from their guidance in the areas of operations, risk management and governance etc. The Board places on record appreciation for their consistent dedication and commitment during their entire tenure.

Pursuant to the provisions of Section 149 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, The Nomination and Remuneration Committee and the Board after evaluating the profiles of suitable candidates have shortlisted Mr. Vineet Bhutani (DIN:02033791), Mr. Gautam Macker (DIN:00542563), Mr. Vivek Sharma (DIN:00278406), Mr. Anurag Gupta (DIN:00701005) and Mr. Sudhir Kalra (DIN:09704840) to be appointed as Independent Director(s) on the Board. The Company has received individual notice(s) from individual Member(s) signifying their intention to propose the candidature individually of Mr. Vineet Bhutani (DIN:02033791), Mr. Gautam Macker (DIN:00542563), Mr. Vivek Sharma (DIN:00278406), Mr. Anurag Gupta (DIN:00701005) and Mr. Sudhir Kalra (DIN:09704840) for the office of Independent Director. The Company has also received declaration from all proposed Independent Directors that they fulfill the criteria of independence as prescribed under the provisions of the Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as Regulation 16 of the Listing Regulations (including statutory re-enactment thereof for the time being in force).

If appointed as an Independent Director(s), Mr. Vineet Bhutani (DIN:02033791 ), Mr. Gautam Macker (DIN:00542563), Mr. Vivek Sharma (DIN:00278406), Mr. Anurag Gupta (DIN:00701005) and Mr. Sudhir Kalra (DIN:09704840) shall hold office w.e.f. 1<sup>st</sup> October, 2022 for a period of five years till 30<sup>th</sup> September, 2027 and shall not be liable to retire by rotation. The Nomination Committee and the Board of Directors recommends their appointment.

Pursuant to the provisions of section 203 of the Companies Act, 2013, the key managerial personnel of the Company are:-

- Shri Devinder Kumar Jain (DIN: 00191539) - Managing Director and Chief Executive Officer of the company and Shri Narinder Kumar Jain (DIN: 00195619) - Managing Director of the Company, who were reappointed for a period Three (3) years with effect from 16<sup>th</sup> March 2022 till 15<sup>th</sup> March 2025 in the last Annual General Meeting held on 30<sup>th</sup> September, 2021.
- Mr. Arun Jain (DIN:01054316) , Mr. Manish Jain (DIN: 00191593), Mr. Pankaj Jain (DIN: 00190414) and Mr. Neeraj Jain (DIN: 00190592), who were re-appointed as Whole Time Directors of the Company w.e.f 01<sup>st</sup> October 2020 for a term of 3 Years in the Annual General Meeting of the Company held on 30<sup>th</sup> September, 2020.
- Mr. Pankaj Jain (DIN:00190414) – Whole Time Director and CFO of the Company.
- Ms. Sudha Singh -Company Secretary, w.e.f 1<sup>st</sup> May, 2015.

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than the payment of sitting fees and reimbursement of expenses, if any, incurred by them for the purpose of attending board meetings of the Company.

All Independent Directors of the Company have given declarations under Section 149(7) of the Act, that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. In terms of Regulations 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

None of the Director is disqualified from being appointed as Director in terms of section 164 of the Companies Act, 2013 and they have given their consent in writing to act as Director(s).

#### **MEETINGS OF THE BOARD**

During the year 2021-2022, Six (6) Board Meetings and Five (5) Audit Committee Meetings were held. In accordance with requirement, other committee meetings were held from time to time and one separate meeting of Independent Directors was also held. Relevant details of the meetings are given in the Corporate Governance Report, which form part of this report. The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on meetings of the Board of Directors and General Meetings;

#### **BOARD EVALUATION**

Pursuant to the provisions of Section 134 (3) (p) of the Companies Act, 2013 and the Rules made thereunder, the Board is required to carry out the Annual Performance Evaluation of the Board, its Committees and individual Directors. Additionally, as per provision of Regulation 17(10) of SEBI (LODR) Regulations, 2015, the performance evaluation of the Independent Directors was also to be done by the Board of Directors. Accordingly, The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual Directors including the Independent Directors (wherein the concerned director being evaluated did not participate).

The performance of the board was evaluated by the board after seeking inputs from all the Directors on the basis of the criteria such as:

- Board dynamics and relationships
- Information flows
- Decision-making
- Relationship with stakeholders
- Company performance and strategy
- Tracking Board and committees' effectiveness

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of Independent Directors, performance of Non- Independent Directors and the Board as a whole was evaluated. Additionally, they also evaluated the Chairman(not permanent) of the Board, taking into account the views of Executive and Non-Executive Directors in the aforesaid meeting. The Board also assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties. Post the review by the Independent Directors, the evaluations were shared with the entire Board and its respective committees. The Board expressed its satisfaction with the Evaluation results, which reflects the high degree of engagement of the Board and its committees with the company and its Management. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

#### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS**

The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act (salient features) has been briefly disclosed hereunder;

#### **Selection and procedure for nomination and appointment of Directors**

The Policy of the Company on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is available on the Company website [www.cosco.in](http://www.cosco.in)

In terms of the provisions of Section 178(3) of the Act, and Regulation 19 of the SEBI Listing Regulations, the NRC has formulated the criteria for determining qualifications, positive attributes and independence of Directors. The key features of which are as follows:

- **Qualifications** – The Board nomination process encourages diversity of thought, experience, knowledge, age and gender. It also ensures that the Board has an appropriate blend of functional and industry expertise.
- **Positive Attributes** - Apart from the duties of Directors as prescribed in the Act the Directors are expected to demonstrate reasonable standards of ethical behavior, communication skills and independent judgment. The Directors are also expected to abide by the respective Code of Conduct as applicable to them.
- **Independence** - A Director will be considered independent if he / she meets the criteria laid down in Section 149(6) of the Act, the Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations.

The Directors affirm that the remuneration paid to Directors, KMPs and employees is as per the Remuneration Policy of the Company.

## **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has adequate internal control systems inter alia including system of internal financial controls, commensurate with the size and scale of its business operations. The system of internal financial control strives to ensure that all transactions are evaluated, authorized, recorded and reported accurately and that all assets are safeguarded and protected against losses that may arise from unauthorized use or disposition. Based on the framework of internal financial controls and compliance systems put in place by the Company, and the reviews performed by management and the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2021-22. The company will further strengthen its Internal Financial Controls in areas observed by the Auditors.

The Company has adopted accounting policies which are in line with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015. These are in accordance with Generally Accepted Accounting Principles in India. Changes in policies, if any, are approved by the Audit Committee in consultation with the Statutory Auditors.

The details in respect of internal control and their adequacy included in the management discussion & analysis, forms part of this report.

## **AUDITORS**

In accordance with Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, M/s. V.P. Jain & Associates, Chartered Accountants (ICAI Registration No.: 015260N), Statutory Auditors of the Company shall retire at the conclusion of the 43<sup>rd</sup> AGM of the Company. The Board of Directors of the Company at their meeting held on 26<sup>th</sup> August 2022, on the recommendation of the Audit Committee, have recommended the appointment of M/s. Madan & Associates, Chartered Accountants (ICAI Registration No.: 000185N) as the Statutory Auditors of the Company, by the members at the 43<sup>rd</sup> AGM of the Company for a term of five consecutive years from the conclusion of 43<sup>rd</sup> AGM till the conclusion of 48<sup>th</sup> AGM of the Company to be held in the year 2027.

After evaluating all proposals and considering various factors such as independence, industry experience, technical skills, audit team, audit quality reports, etc., M/s. Madan & Associates, Chartered Accountants have been recommended to be appointed as the Statutory Auditors of the Company.

M/s. Madan & Associates, is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. It has its registered office at Kailash Building, K.G. Marg New Delhi-110 001. It is primarily engaged in providing audit and assurance services to its clients.

Pursuant to Section 139 of the Companies Act, 2013 and the rules framed thereunder, the Company has received written consent from M/s. Madan & Associates Chartered Accountants and a certificate that they satisfy the criteria provided under Section 141 of the Companies Act, 2013 and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder. As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. Madan & Associates, has confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

The Board places on record its appreciation for the services rendered by M/s. V.P. Jain & Associates Chartered Accountants, as the Statutory Auditors of the Company.

## **INDEPENDENT AUDITORS' REPORT**

The Auditors' Report do not contain any qualifications or adverse remarks. The opinion of the Auditors is not qualified in respect of matters reported under Emphasis of the Matter.

Auditors have drawn attention to some specific Notes on Financial Statements viz: Note no. 5.3 regarding recoverable amount of land compensation, Note no. 9.2 & 19.3 regarding confirmation of trade receivables/trade payables and provision for expected credit loss,

As stated in Note no. 5.3, the amount of land compensation recoverable is on account of enhanced compensation awarded by the Court in respect of acquisition of land of about 325 sq. yards of factory land and

construction thereon by PWD (B&R), Gurugram The company has filed a case of recovery before Addl. Session Judge, Gurugram, which is pending. As stated in Note No. 9.2 & 19.3, the Company has sent letters to the Trade receivables/Trade payable for confirmations. However, the same are awaited. Adjustment, if any will be made on the receipts of the confirmations. In the opinion of the management the balances are good for payment and recovery. The Company make provisions for expected credit loss in respect of the outstanding amounts for more than 3 years instead on the basis prescribed under Ind AS 109 as in the opinion of the Management, it is not significant. Regarding the Auditors' observation w.r.t. the Internal Audit System of the company, the same is reasonably effective having regard to the size of the company. However, the Management shall review scope, coverage and compliance thereof to further strengthen the same.

We have taken note of the observations of the Auditors for improvement in certain areas of Internal Financial Controls and the Company's Management will take necessary steps for more effective control and accounting of sales return and timely reporting of the sales return by the stores department to the accounts department and maintenance of adequate records by the accounts department in respect of defective goods returned;

Maintenance of timely recording of purchase invoices; strengthening the Physical verification of work in progress, keep the close monitoring of inventories to improve the Inventory Turnover Ratio; monitoring of Inventory levels ; Management will initiate more active actions to recover the old receivables which are outstanding; effectively monitoring of customers through MIS in areas of delayed payments; improvise in the verification of all fixed assets in scale of 3 years; Contract labour management improvisation in the area of control regarding the maintenance of dual records by time office and production department about labour supply through contractor; The Statutory Auditors of the Company have not reported any fraud as specified under the second proviso to Section 143(12) of the Act.

#### **SECRETARIAL AUDITORS' REPORT**

Report of the Secretarial Auditor is given as an **Annexure-A** which forms part of this Report. Secretarial Auditors' Report do not contain any qualifications, reservations, adverse remarks or disclaimers, which needs any comments/explanation.

#### **INTERNAL AUDITORS**

M/s PARM & Associates LLP, (formerly known as P A R M & S M R N Associates) Chartered Accountants performs the duties of Internal Auditors of the Company and their report is reviewed by the audit committee from time to time.

#### **COST AUDITORS**

As per the Companies (Cost Records and Audit) Rules, 2014, as amended by the Companies (Cost Records and Audit) Amendments Rules, 2014 and 2016, the maintenance of Cost Records has not been specified by the Central Government and as such Cost Audit is not applicable to our Company .

#### **AUDIT COMMITTEE**

The composition, terms of reference etc. of the Audit Committee is provided in Corporate Governance Report which forms part of this Annual Report. There have been no instances of non-acceptance of any recommendations of the Audit Committee by the Board during the financial year under review.

#### **NOMINATION AND REMUNERATION COMMITTEE**

The details pertaining to composition of Nomination and Remuneration Committee are included in the Corporate Governance Report, which forms part of this report.

Policy on determining the criteria for determining qualifications, positives attributes and independence of a director is available on the Company website [www.cosco.in](http://www.cosco.in).

#### **CORPORATE SOCIAL RESPONSIBILITY**

The details pertaining to composition of Corporate Social Responsibility Committee are included in the Corporate Governance Report, which forms part of this report.

During the financial year ended 31<sup>st</sup> March, 2022, the company incurred CSR Expenditure of ₹ 9 Lakhs

(Rupees Nine Lakhs only). The CSR initiatives of the Company were under the thrust areas of maintaining environmental sustainability and ecological balance. The contents of the CSR Policy of the Company as approved by the Board on the recommendation of the CSR committee is available on the website of the Company and can be accessed through the web link;

[https://www.cosco.in/uploads/investors/corporate\\_social\\_responsibility\\_policy\\_1499423528.pdf](https://www.cosco.in/uploads/investors/corporate_social_responsibility_policy_1499423528.pdf)

The Company's CSR Policy Statement and annual report on the CSR activities undertaken during the financial year ended 31<sup>st</sup> March, 2022, in accordance with Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) is set out in the **Annexure F** to this report.

As per Section 135 (9) of the Companies Act, 2013 where the amount to be spent by a company as its corporate social responsibility does not exceed Rupees fifty lakh, the requirement for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee in such cases, be discharged by the Board of Directors of such company. As the Company obligation towards its Corporate Social Responsibility does not exceed ₹ fifty lakh, Board of the Company in the Meeting held on 13<sup>th</sup> August, 2022 have dissolved the composition of the Corporate Social Responsibility Committee of the Company.

#### **RISK MANAGEMENT POLICY**

The Company has an integrated risk management framework through which it identifies, monitors, mitigates and reports key risks that impacts its ability to meet the strategic objectives. A note on the policy of the Company on risk management is provided in this Annual Report under Management Discussion and Analysis Report (**Refer Annexure –E** which form part of this report).

#### **PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The particulars of loans, guarantees and investments have been disclosed in the financial statements. No additional Loans given, Guarantee provided or Investment made by the Company during the reporting year, which are covered under the provisions of Section 186 of the Companies Act, 2013.

#### **TRANSACTIONS WITH RELATED PARTIES**

All transactions entered with related parties for the year under review were on an arm's length basis and placed before the Audit Committee on regular basis. Omnibus approval was obtained for transactions which are of repetitive nature.

There are no materially significant related party transactions that may have potential conflict with interest of Company at large. The details of RPTs during FY 2021-22, including transactions with persons or entity/ies belonging to the promoters/ promoters' group which hold(s) 10% or more shareholding in the Company are provided in the accompanying financial statements

Information on transactions with related parties pursuant to section 134(3)(h) of the Act, read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure-B** in Form AOC -2 and the same form part of this report.

#### **MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT**

Covid-19 pandemic has partially impacted the business operations of the Company as discussed herein before in this Report. Apart from that there are no material changes affecting the affairs of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of this report.

#### **CHANGE IN THE NATURE OF BUSINESS**

There is no change in the nature of the business during the financial year under review.

## ANNUAL RETURN

Pursuant to Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return for FY 2021-22 is available on Company's website at; [https://www.cosco.in/uploads/investors/annual\\_return\\_mgt\\_7\\_1661326081.pdf](https://www.cosco.in/uploads/investors/annual_return_mgt_7_1661326081.pdf)

## SUBSIDIARY/JOINT VENTURE/ASSOCIATE COMPANIES

Your Company does not have any subsidiary/joint venture/ associate company within the meaning of the Companies Act, 2013.

## INDEPENDENT DIRECTORS

In terms of Section 149 of the Companies Act, 2013 and the SEBI Listing Regulations all Independent Directors of the Company have given declarations under Section 149(7) of the Act, that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and they have complied with the Code of Independent Directors as prescribed in Schedule IV to the Act. All Independent Directors name have been included in the data bank of Independent Directors maintained by Indian Institute of Corporate Affairs.

## MANAGERIAL REMUNERATION & PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Act, read with rule 5(1) of the Companies Appointment and Remuneration of managerial Personnel) Rules, 2014 are given below:

a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial Year:

B.

<b>Executive Directors</b>	<b>Ratio to median remuneration</b>
Shri Devinder Kumar Jain	51:1
Shri Narinder Kumar Jain	51:1
Mr. Arun Jain	40:1
Mr. Manish Jain	40:1
Mr. Pankaj Jain	40:1
Mr. Neeraj Jain	40:1

<b>Non Executive Directors</b>	<b>Ratio to median remuneration</b>
Shri Mahavir Prasad Gupta	Not Applicable (Independent Directors are paid only sitting fees and reimbursement of expenses, if any, for attending Board Meetings. No other Remuneration has been paid to the Independent Directors).
Shri Mohan Lal Mangla	
Shri Sunil Jain	
Shri Vijender Kumar Jain	
Ms. Nisha Paul	
Ms. Tejal Jain	

c. The percentage increase in Remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:

Directors, Chief Executive Officers, Chief Financial Officer and Company Secretary	% increase in Remuneration in the financial year
<b>Executive Directors :-</b>	
Shri Devinder Kumar Jain	11.94
Shri Narinder Kumar Jain	11.94
Mr. Arun Jain	11.54
Mr. Manish Jain	11.54
Mr. Pankaj Jain	11.54
Mr. Neeraj Jain	11.54
<b>Independent Directors :-</b>	
Shri Mahavir Prasad Gupta	Not Applicable (Independent Directors are paid only sitting fees and reimbursement of expenses, if any for attending Board Meetings. No other Remuneration has been paid to the Independent Directors). Details of Sitting fees paid/payable incorporated in Corporate Governance report.
Shri Mohan Lal Mangla	
Shri Sunil Jain	
Shri Vijay Kumar Sood	
Shri Vijender Kumar Jain	
Ms. Nisha Paul	
Ms. Sudha Singh – Company Secretary	

- c. The percentage decrease in the median remuneration of employees in the Financial Year : 6.42 %
- d. The number of permanent employees on the rolls of the Company: 495
- e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial remuneration:- Average percentile increase made in the employees remuneration other than Managerial Personnel in the last FY 2021-22 was approximately 4% to 29% compared to the percentile increase of 11.54% to 11.94% in the remuneration of Managerial Personnel.

Remuneration of Managerial Personnel was as per the Remuneration Policy of the Company and within limits as approved by the members in the Annual General Meetings as per statutory requirements.

- f. Affirmation that the remuneration is as per the remuneration policy of the Company: The Company affirms remuneration is as per the remuneration policy of the Company
- g. The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**Top Ten Employees in terms of Remuneration Drawn**

Employee Name	Designation	Remuneration (₹ in Lakhs)	Nature of employment	Qualification	Experience (in years)	Year of commencement of employment	Age	Last employment	% of Equity Shares	Whether employee is relative of Director or Manager
Shri Devinder Kumar Jain	Managing Director and CEO	69.12	Permanent	Graduate in B. Sc.	61	1980	84	NA	3.53	Relative of Shri. Narinder Kumar Jain - Mg. Director, Mr. Arun Jain - WTD and Mr. Manish Jain - WTD

Shri Narinder Kumar Jain	Managing Director	68.46	Permanent	Graduate and Diploma in International Marketing	56	1989	81	NA	3.69	Relative of Shri. Devinder Kumar Jain - Mg. Director & CEO and Mr. Neeraj Jain-WTD
Mr. Arun Jain	Whole - Time Director	53.59	Permanent	B.E., M. Tech.	30	2007	56	NA	2.03	Relative of Shri. Devinder Kumar Jain - Mg. Director & CEO and Mr. Manish Jain-WTD
Mr. Manish Jain	Whole - Time Director	54.51	Permanent	Qualified Engineer and MBA	29	1998	52	NA	2.20	Relative of Shri. Devinder Kumar Jain - Mg. Director & CEO and Mr. Arun Jain-WTD
Mr. Pankaj Jain	Whole - Time Director and CFO	55.39	Permanent	B. Com and MBA	29	1998	51	NA	7.55	--
Mr. Neeraj Jain	Whole - Time Director	53.89	Permanent	B.E., M.Sc. & MBA	28	1998	50	NA	2.37	Relative of Shri. Narinder Kumar Jain - Mg. Director
Mr. Rajesh Kumar Khurana	Finance Manager & Head of Accounts	13.01	Permanent	B.Com(H), FCA	40	1996	65	NA	Nil	NA
Mr. Aakash Jain	Senior Executive	11.64	Permanent	B.Tech	3	2019	26	NA	0.61	Relative of Mr. Arun Jain WTD
Mr. Manojit Chakraborty	Manager (Costing)	10.14	Permanent	Cost Accountant	24	2005	55	NA	Nil	NA
Mr. Gawesh Narula	Senior Accounts Officer	10.08	Permanent	Graduate	24	2005	52	NA	Nil	NA

\* Gratuity not included.

h. Name of other employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 of the Companies Act, 2013 - Nil

## DISCLOSURE REQUIREMENTS

As per SEBI Listing Regulations, Corporate Governance Report with Auditors' certificate thereon and Management Discussion and Analysis are attached, which form part of this Report.

Details of the familiarization programme of the Independent Directors are available on the website of the Company.

(<https://www.cosco.in/investors/investor-information>)

Policy on dealing with related party transactions is available on the website of the Company.

(<https://www.cosco.in/investors/policies>)

There are no proceedings initiated/pending against your Company under the Insolvency and Bankruptcy Code, 2016 which materially impact the business of the Company.

There was no instance of one-time settlement with any Bank or Financial Institution.

### Unclaimed Dividends

Company had declared interim Dividend for FY 2015-16. Details of unpaid/unclaimed dividend is available on the Company's website at :

<https://www.cosco.in/investors/unclaimed-dividend>

Members who have not encashed their interim dividend warrants pertaining to the aforesaid year may approach the Company/its Registrar, for obtaining their unclaimed dividend.

Year	Dividend Per Share in ₹	Date of Declaration	Due Date for Transfer	Amount in ₹
2015-16	1	12.08.2015	17 <sup>th</sup> September, 2022	77,048

### VIGIL MECHANISM/WHISTLE BLOWER POLICY

To create enduring value for all stakeholders and ensure the highest level of honesty, integrity and ethical behaviour in all its operations, the Company has adopted a 'Whistle Blower policy/Vigil Mechanism' which provides for adequate safeguard against victimization of person who use such mechanism and the Directors and employees have direct access to the Chairman of the Audit Committee, in exceptional cases. The Vigil Mechanism (Whistle Blower Policy) is available on Company's website [www.cosco.in](http://www.cosco.in) at:

( <https://www.cosco.in/investors/policies>)

### DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made there under, the Company has an Internal Complaints Committee (ICC) for redressal of sexual harassment complaints and for ensuring time bound treatment of such complaints. There was no complaint received from any employee during the financial year 2021-22 and hence, no complaint is outstanding as on March 31<sup>st</sup>, 2022 for redressal.

### DEPOSITS FROM PUBLIC

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the Balance Sheet.

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

As required by the Companies (Matters to be included in the Report of Board of Directors) Rules 2014 the relevant information and data is given in **Annexure-C** annexed hereto and form part of this Report.



## DEMATERIALIZATION OF SHARES

The Company shares are being dealt in dematerialized form. Shareholding of the Promoters/ Promoter Group has been substantially dematerialized.

## LISTING

Your Company is listed with Stock Exchanges at Mumbai and Delhi. Annual Listing fee for the Financial Year 2021-22 and 2022 – 2023 paid to BSE Limited. No fees paid to Delhi Stock Exchange Limited since DSE is non functional.

## CORPORATE GOVERNANCE

Your Company has taken adequate steps to ensure that mandatory provisions of 'Corporate Governance' as provided in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per the provisions of Companies Act, 2013 are duly complied with.

Report on 'Corporate Governance' along with 'Certificate by Practicing Company Secretary' on compliance with the condition of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto as part of this report as **Annexures – D2 & D3** respectively.

Report on Management Discussion and Analysis is annexed hereto as **Annexure –E** and form part of this report.

## INDUSTRIAL RELATIONS

The industrial relations remained cordial during the year. The Company lays emphasis on all round development of its human resource.

## ACKNOWLEDGEMENTS

The Directors acknowledge with thanks the continuous support and co-operation received from Bankers, Statutory and Internal Auditors, Customers, Suppliers, Dealers, Government Authorities and Regulators and all other business associates and for their confidence in its management. The Board of Directors also wish to convey their appreciation to all the employees for their sincere and dedicated services and unstinting efforts at all levels.

The Management also place on record their appreciation for the confidence reposed by the Stakeholders. The Directors appreciate and value the contributions made by every member of the Cosco (India) Limited. The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

**By order of the Board of Directors**

**Devinder Kumar Jain**  
Managing Director and CEO  
DIN : 00191539

**Narinder Kumar Jain**  
Managing Director  
DIN : 00195619

Registered Office:  
2/8, Roop Nagar,  
Delhi – 110007  
Dated: 26<sup>th</sup> August, 2022

**Annexure 'A'**  
**Form No. MR-3**  
**FORMING PART OF DIRECTORS' REPORT**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March 2022**

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

To,

The Members,  
**Cosco (India) Limited,**  
2/8, Roop Nagar, Delhi-110007

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Cosco (India) Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's 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, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Cosco (India) Ltd., for the financial year ended on 31<sup>st</sup> March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. Further, neither there was any transaction of Direct Investment, External Commercial Borrowings nor any transaction of Overseas Direct Investment which were required to be reported during the financial year.
- (iv) Securities and Exchange Board of India (Depositories & Participants) Regulation, 1996 and 2018 and circulars/ guidelines issued thereunder;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit period);
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the Audit period);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit period);
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; - Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit period); and
- h. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 (Not applicable to the Company during the Audit period);
- (vi) We have also examined compliance with the applicable clauses/regulations of the following:
  - 1. Secretarial Standards issued by the Institute of Company Secretaries of India.
  - 2. Listing Agreements entered into by the Company with BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vii) Other applicable Laws, Rules and Guidelines as mentioned here-in-below:
  - a. The Boilers Act, 1923
  - b. The Rubber Act, 1947
  - c. The Petroleum Act, 1934
  - d. The Consumer Protection Act
  - e. The Legal Metrology Act, 2009
  - f. Shops and Establishment Act
  - g. The Water (Prevention & Control of Pollution) Act, 1974  
[Read with Water (Prevention & Control of Pollution) Rules, 1975]
  - h. Air (Prevention and Control of Pollution) Act, 1981 and Rules
  - i. The Environment (Protection) Act, 1986 (Read With The Environment (Protection) Rules, 1986)
  - j. Sexual Harassment of Women at Workplace Act, 2013
  - k. MSME Act, 2006
  - l. Labour Laws as applicable

During the period under review, as per explanations and clarifications given to us and representations made by the Management, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors, Independent Directors and Women Directors. The changes in the composition of the Board of Directors that took place during the financial year under review, were carried out in compliance with the provisions of the Act and the SEBI LODR Regulations.

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

Decisions at the Board Meetings and Committee of Board were carried unanimously during the period under review.

We further report that as per the explanations given to us and representations made by the management 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 Akhil Rohatgi & Co**  
Companies Secretaries  
Reg. No.: P1995DE072900

**Akhil Rohatgi**  
Partner  
FCS No.: 1600  
CP No: 2317

**UDIN: F001600D000856608**

Date: 26<sup>th</sup> August, 2022  
Place: Delhi

\*This report is to be read with our letter of even date which is annexed as an "Annexure-A" and forms an integral part of this report.

**“Annexure-A”**

To,

The Members,  
**Cosco (India) Limited,**  
2/8, Roop Nagar,  
Delhi-110007

1. We have examined the relevant registers, records and documents maintained and made available to us by Cosco (India) Limited (“the Company”) for the period commencing from 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022 for the issuance of Secretarial Audit Report for the Financial Year 2021-22, required to be issued under Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014.
2. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the various compliances, but the Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices, we follow provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial statements of the Company.
5. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of the events etc.
6. The compliance of the provisions of Corporate and other applicable law, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Akhil Rohatgi & Co**

Company Secretaries

**Reg. No.: P1995DE072900**

Date: 26<sup>th</sup> August, 2022

Place: Delhi

**Akhil Rohatgi**

Partner

CP No: 2317

FCS No.: 1600

**UDIN:F001600D000856608**

**Annexure-'B'**

**(Forming Part of the Directors' Report)**

**Form No. AOC-2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis:

Cosco (India) Limited has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length basis during financial year 2021-22.

2. Details of material contracts or arrangement or transactions at arm's length basis: NA

i. Name(s) of the related party and nature of relationship: NA

ii. Nature of contracts / arrangements / transactions: NA

iii. Duration of the contracts / arrangements / transactions: NA

iv. Salient terms of the contracts or arrangements or transactions including the value, if any: NA

v. Date(s) of approval by the Board, if any: NA

vi. Amount paid as advances, if any: NA

**By order of the Board of Directors**

**Devinder Kumar Jain**  
Managing Director and CEO

**DIN:00191539**

**Narinder Kumar Jain**  
Managing Director

**DIN:00195619**

**Registered Office:**

2/8, Roop Nagar,

Delhi – 110007

Dated: 26<sup>th</sup> August, 2022

## Annexure-'C'

### (Forming Part of the Directors' Report)

**Statement containing particulars pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, for the year ended March 31, 2022.**

#### A. CONSERVATION OF ENERGY

**(i) Steps taken or Impact on conservation of energy:**

The Company gives highest priority to ensure environmental friendly practices at all offices and Factory. These include reduction in power consumption, optimal water consumption, eliminating excess use of paper and using eco-friendly products.

The Company has taken the following initiatives in this regard:

- (i) LED lights provided in Plant & offices to save the electrical energy
- (ii) Energy efficient motors used in order to optimize use of power.

**(ii) Steps taken by the Company for utilizing alternate sources of energy**

- During the year under review no alternative source of energy was used.

**(iii) Capital Investment on energy conservation equipment**

- Nil

#### B. TECHNOLOGY ABSORPTION

**(i) Efforts made towards technology absorption**

- (a) Value addition to the existing products through formula re-engineering.
- (b) Special focus has been given to develop safer formulations.
- (c) Efforts were made for creating products of premium range.
- (d) Continuous bench marking of products against competition in national and International markets.

**(ii) Benefits derived**

- (a) Improvements in existing products and formulations helped to increase product Sales.
- (b) Process improvements resulted in cost optimization and better quality standards achieved.

**(iii) Information regarding imported technology (imported during the last three years reckoned from the beginning of the financial year)**

The Company has not imported any technology during last three years.

**(iv) Expenditure on Research & Development (₹ in Lakhs)**

	2021-22	2020-21
Capital	Nil	Nil
Recurring	0.61	7.87
Total	0.61	7.87
Total R&D expenditure as a % of total turnover	0.004	0.05

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO (₹ in Lakhs)

	2021-22	2020-21
(i) Foreign Exchange earning	187.67	212.34
(ii) Foreign Exchange outgo	5179.57	5753.89

**ANNEXURE – 'D1'**  
**(Forming Part of the Directors' Report)**

**CORPORATE GOVERNANCE REPORT**

Governance is reflection of the culture and values of a company's board and management. Good governance in a company enhances the confidence, trust and enthusiasm of its stakeholders. For ensuring sound corporate governance practices, the Government of India has put in place a framework based on the stipulations contained under the Companies Act, Securities and Exchange Board of India (SEBI) Regulations, Accounting Standards, Secretarial Standards, etc. Today's market-oriented economy and globalization drive the demand for a high quality of governance practices. Good governance practices is a norm at Cosco (India) Limited. The Company has established systems, procedures and policies to ensure that its Board of Directors is well informed and well equipped to discharge its overall responsibilities and provide the management with the strategic direction catering to exigency of long-term shareholders value.

COSCO's corporate governance system ensures us to make timely disclosures and share accurate information regarding our financials and other performance, as well as make disclosures related to the leadership and governance of the Company. Our well-established and effective corporate governance practice has been an integral part of the organization in creating value since inception. In this report, we have provided details on how the corporate governance system and principles are put into practice within Cosco (India) Limited.

The Board of Directors ('the Board') are responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long-term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed Board.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

A report on compliance with the Principles of Corporate Governance as prescribed by SEBI in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) given below are the Corporate Governance policies and practices of Cosco (India) Limited for the year FY 2021-22.

**COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE.**

The Board of Directors and the Management of your Company is committed to

- sound & ethical business practices
- ensure integrity, transparency and professionalism in all decisions and transactions of the Company,
- build brand value of its products
- good Corporate Governance by conforming to prevalent mandatory guidelines on Corporate Governance,
- gain and retain the trust of the stakeholders at all times.
- Corporate governance standards should go beyond the law and satisfy the spirit of the law, not just the letter of the law.

**BOARD OF DIRECTORS**

- i. The Composition of the Board of Directors during FY 2021-22 is given herein. As on March 31<sup>st</sup>, 2022, the Company has twelve directors. Of the Twelve Directors, Six (i.e. 50%) are Non-Executive Independent Directors including two Woman Directors and six (i.e. 50%) are Executive Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013. All the Directors have made necessary disclosures regarding their Directorships as required under Section 184 of the Companies Act, 2013.

- ii. None of the directors on the board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a director. Necessary disclosures regarding committee positions in other public companies as on March 31<sup>st</sup>, 2022 have been made by the directors. None of the NEDs serve as IDs in more than seven listed companies and none of the IDs are Whole-time Directors / Managing Directors in any listed entity and none of the Executive or Whole-Time Directors serve as IDs on any listed company.
- iii. Independent directors are Non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective, independent, judgment and without any external influence. The Company has received confirmation from all the existing IDs of their registration on the Independent Directors Database maintained by the Institute of Corporate Affairs pursuant to Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. All directors, other than Independent directors and Managing Director, are liable to retire by rotation.
- iv. The names and categories of the directors on the board, their attendance at Board meetings held during the year and the number of directorships and committee chairmanships / memberships held by them in other public companies as on March 31<sup>st</sup>, 2022 are given herein below.

**I. Composition: Board consisted of the following Directors as on March 31<sup>st</sup>, 2022, categorized as indicated;**

(A) Promoters Group	Designation	Category	DIN	Relationships between Directors inter-se
Shri Devinder Kumar Jain	Mg. Director and CEO	ED	00191539	Shri. Narinder Kumar Jain (Brother), Mr. Arun Jain (Son), Mr. Manish Jain Son)
Shri Narinder Kumar Jain	Managing Director	ED	00195619	Shri. Devinder Kumar Jain (Brother), Mr. Neeraj Jain (Son)
Mr. Arun Jain	Whole Time Director	ED	01054316	Shri. Devinder Kumar Jain (Father), Mr. Manish Jain (Brother)
Mr. Manish Jain	Whole Time Director	ED	00191593	Shri. Devinder Kumar Jain (Father), Mr. Arun Jain (Brother)
Mr. Pankaj Jain	Whole Time Director and CFO	ED	00190414	Not related to any Director
Mr. Neeraj Jain	Whole Time Director	ED	00190592	Shri. Narinder Kumar Jain (Father)
<b>(B) Independent</b>				
Shri Mohan Lal Mangla	Director	NED-ID	00311895	Not related to any Director
Shri Mahavir Prasad Gupta	Director	NED-ID	00190550	
Shri Sunil Jain	Director	NED-ID	00387451	
Ms. Nisha Paul	Director	NED-ID	00325914	
*Shri Vijay Kumar Sood	Director	NED-ID	01525607	
Shri Vijender Kumar Jain	Director	NED-ID	06423328	
**Ms. Tejal Jain	Director	NED-ID	09219682	

ED – Executive Director, NED – Non Executive Director, ID-Independent Director

\*Shri Vijay Kumar Sood passed away on 28.04.2021.

\*\*Ms. Tejal Jain appointed as Independent Director in the Board w.e.f 30.06.2021.

## II. Attendance at Board Meetings and last Annual General Meeting and details of membership of Directors in other Boards and Board Committees.

### (A) Details of Board Meetings held during the year 2021-22

Date of Meetings	Board Strength	No. of Directors Present
April 05, 2021	12	08
June 30, 2021	12	11
August 14, 2021	12	09
August 27, 2021	12	09
November 13, 2021	12	11
February 14, 2022	12	12

- v. Six Board meetings were held during the year. The quorum for the meeting of the Board of Directors is one-third of the Board of Directors or four Directors, whichever is higher, including at least one ID and during the year, the requisite quorum was present for all Board meetings. all meetings in FY 2021-22 were held within the prescribed time gap.
- vi. During the year 2021-22, information as mentioned in Schedule II Part A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has been placed before the Board for its consideration.
- vii. The terms and conditions of appointment of the Independent directors are disclosed on the website of the Company.  
[https://www.cosco.in/uploads/investors/terms\\_and\\_conditions\\_of\\_appointment\\_of\\_independent\\_director\\_1643098942.pdf](https://www.cosco.in/uploads/investors/terms_and_conditions_of_appointment_of_independent_director_1643098942.pdf)
- viii. During the year a separate meeting of the Independent directors was held inter-alia to review the performance of non- Independent directors and the Board as a whole.
- ix. The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company.
- x. The details of the familiarization programme of the Independent Directors are available on the website of the Company.  
[https://www.cosco.in/uploads/investors/familiarisation\\_programme\\_for\\_independent\\_directors\\_fy\\_2021\\_22\\_1659068078.pdf](https://www.cosco.in/uploads/investors/familiarisation_programme_for_independent_directors_fy_2021_22_1659068078.pdf)

### (B) Directors' Attendance Record and Directorships held:

Name of the Director	No. of Board Meeting Attended	Whether attended last AGM held on 30 <sup>th</sup> September, 2021	No. of Directorship held in other Companies	No. of Committee position held in other Companies as a Chairman	No. of Committee position held in other Companies as a Member
Shri Devinder Kumar Jain	6	Yes	4	Nil	Nil
Shri Narinder Kumar Jain	6	Yes	4	Nil	Nil
Mr. Arun Jain	6	Yes	Nil	Nil	Nil
Mr. Manish Jain	5	Yes	Nil	Nil	Nil
Mr. Pankaj Jain	6	Yes	1	Nil	Nil
Mr. Neeraj Jain	6	Yes	1	Nil	Nil
Shri Mohan Lal Mangla	4	No	Nil	Nil	Nil
Shri Mahavir Prasad Gupta	4	No	Nil	Nil	Nil
Shri Sunil Jain	4	No	3	Nil	Nil
Shri Vijay Kumar Sood	0	No	1	Nil	Nil
Shri Vijender Kumar Jain	5	Yes	Nil	Nil	Nil
Ms. Nisha Paul	4	No	1	Nil	Nil
Ms. Tejal Jain	4	Yes	Nil	Nil	Nil

### III Information in respect of appointment of new Directors & re-appointment of existing Directors.

**Details of Directors retiring by rotation seeking appointment/re-appointment/remuneration regularization at the forthcoming Annual General Meeting in pursuance of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Sl. No.	Name of Director	Brief Resume	Expertise in Specific functional areas	Directorship in other Companies
1.	Mr. Manish Jain	Aged about 52 years. Qualified Engineer and MBA. About 29 Years of Experience	Managing Plant Operations, Production and actively associated with marketing operations and research & development of new products.	Nil
2.	Mr. Pankaj Jain	Aged about 51 years, B.Com, and MBA about 29 years of experience.	Finance, marketing and Developing of new products for International market.	The Sports Goods Export Promotion Council
3.	Ms. Tejal Jain	Aged about 32 years. Qualified Chartered Accountant .About 10 Years of post qualification experience.	Diversified knowledge of finance, taxation and corporate laws and has specialised experience for providing financial, taxation and legal consultancy. Expertise in conducting Statutory Audit.	Nil
4.	Mr. Vineet Bhutani	Aged about 59 Years. Bachelor in ELECTRIC ENGG. from M.S.R.I.T Bengaluru also known as RAMAIAH Institute of Technology.	Experience in the area of sales and marketing	- Hydrobaths Ramco Marketing Private Limited, - New Form India Private Limited, - Bravat India Private Limited
5.	Mr. Gautam Macker	Aged about 50 Years. Master in Business Administration (MBA) from FORE School of Management New Delhi.	Experience in the area of Business administration and human resource management.	- MAC Coatings Private Limited, - Brooks Cottages Private Limited, - PNGP Land and Infrastructure Private Limited, - OWN Interiors Private Limited.
6.	Mr. Vivek Sharma	Aged about 57 Years. DNB Radiodiagnosis from National Board of Examination New Delhi.	Experience in the area of administration and health & fitness	-
7.	Mr. Anurag Gupta	Aged about 50 Years. Graduate from Delhi University.	Experience in imports- exports and marketing of products	- Sunshine Manufacturing LLP - Gopala Securities Private Limited.
8.	Mr. Sudhir Kalra	Aged about 59 Years. Graduate in B.A Economics Honours from Sri Ram Collage of Commerce New Delhi.	Experience in the field of export, marketing and finance.	-

(Refer also statement forming part of Notice of 43<sup>rd</sup> Annual General Meeting issued to the Shareholders of the Company)

## CODE OF CONDUCT

The Board has laid down a Code of Conduct for the Directors and Senior Management of the Company. All the Board Members and Senior Management personnel have affirmed their compliance with the Code. The Code of Conduct is available on the Company's website viz. [www.cosco.in](http://www.cosco.in). A declaration to this effect signed by the Managing Directors and CEO of the Company forms a part of this Report.

### Declaration by Independent Directors

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013 that he/she meets the criteria of independence laid down in section 149(6) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Independent Directors have further stated that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective, independent, judgment and without any external influence.

**Key Board Skills, Expertise and Competencies:** As on March 31, 2022 the Board comprises qualified members who bring in the required skills, competence and expertise to enable them to effectively contribute in deliberations at Board and Committee meetings. The below matrix summarizes a mix of skills, expertise and competencies expected to be possessed by our individual directors, which are key to corporate governance and Board effectiveness:

Business & Industry	Domain Knowledge in Business and understanding of business environment, Optimising the development in the industry for improving Company's business.
Diversity	Representation of gender, ethnic, cultural, or other perspectives that expand the Board's understanding of the needs and viewpoints of our customers, partners, employees, governments, and other stakeholders.
Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
Governance & Compliance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long term effective stakeholder engagements and driving corporate ethics and values.
Sales and Marketing	Experience in developing strategies to grow sales and market share, build brand awareness and enhance brand reputation.
Personal values	Personal characteristics matching the Company's values, such as integrity, accountability, and high performance standards.

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board and whether that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business. The Directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the industries / fields from where they come.

In the table below, the specific areas of focus or expertise of individual Board members have been mentioned as required in the context of the business of the Company.

Sl. No.	Name	Brief Resume	Expertise in Specific functional areas
1	Shri Devinder Kumar Jain	B. Sc. Graduate, About 61 years of experience	Operational Management, Production Process, Business Planning, Development & Sourcing of the new products, Managing the affairs of the Company effectively for the last many years.
2	Shri Narinder Kumar Jain	Graduate & Diploma in International Marketing about 56 year's of experience.	Marketing and Financial, Planning and Management, Formulating business Strategies, Public Relations, Well experienced in management, marketing and Finance.
3	Mr. Arun Jain	Qualified B.E. & M.Tech. with about 30 years' of experience	He has vast experience in industrial relations and Management and research and Development of Rubber & Polymer products.
4	Mr. Manish Jain	Qualified Engineer and MBA with about 29 years' of experience	Managing Plant Operations & Production and actively associated with marketing operations and research & development of new Products for Domestic and International markets.
5	Mr. Pankaj Jain	B. Com and MBA. About 29 years' of experience.	Finance and Marketing and developing of new products for International Market.
6	Mr. Neeraj Jain	B.E., M.Sc.(Polymer Science) & MBA. About 28 years' of experience.	International Trade and Sourcing of new products. Management of health and fitness segment.
7	Ms. Nisha Paul	Graduate, About 33 years' of experience.	Experienced in Human Resource and Public Relations
8	Shri Mahavir Prasad Gupta	Post Graduate - Educationist, Former Head and Dean of Delhi School of Management Studies. About 55 Years' of experience.	Vast Knowledge in the areas of Business and Management.
9	Shri Sunil Jain	Graduate about 39 Years' of experience.	Industrial Management
10	Shri Mohan Lal Mangla	Law Graduate and Advocate, about 54 years' of experience	Vast legal experience including Intellectual Property Rights.
11	Shri Vijender Kumar Jain	Chartered Accountant. About 41 years' of experience.	Vast experience as practicing Chartered Accountant in Finance, Accounts, Audit, Taxation and Company Law Matters
12	**Ms. Tejal Jain	Member of The Institute of Chartered Accountants of India	10 Years' post qualification experience and Diversified know ledge of finance, taxation and corporate laws and has specialised experience for providing financial, taxation and legal consultancy. expertise in conducting Statutory Audit.

Late Shri Vijay Kumar Sood Independent Director of the Company passed away on 28.04.2021.

\*\*Ms. Tejal Jain appointed as an Independent Director of the Company w.e.f. 30.06.2021.

## BOARD COMMITTEES

The Board of Directors has constituted the following committees to focus on specific areas and make informed decisions within the authority delegated to each of the Committees. Each Committee of the Board is guided by its Charter, which defines the scope, powers and composition of the Committee. All decisions and recommendations of the Committees are placed before the Board for information or approval.

During the financial year, the Board has accepted the recommendations of Committees on matters where such a recommendation is mandatorily required. There have been no instances where such recommendations have not been considered.

## 1. AUDIT COMMITTEE

Terms of Reference :- The audit committee is authorized to exercise all the power and perform all the functions as specified in section 177 of the Companies Act, 2013 and the rules made there under and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. The said committee reviews reports of the internal Auditors , meets Statutory Auditors and Internal Auditors periodically to discuss their findings and suggestions, internal control systems, scope of audit, observations of the auditors and their related matters and reviews major accounting policies followed by the Company. The Minutes of the Audit Committee meetings are circulated to and taken note by the Board of Directors. The Company Secretary acts as the Secretary of the Committee

### The composition of the Audit Committee is as follows:

Independent Directors — Shri Vijender Kumar Jain – Chairman  
 — Shri Mahavir Prasad Gupta  
 — Shri Sunil Jain

The members of the Audit Committee are well experienced in the field of finance, accounts and management. The Chairman of the Committee is a Chartered Accountant. The powers and terms of reference of the Committee are as contained in Regulation 18(3) (Part C of Schedule II) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

### (B) Details of Meetings of Audit Committees held and its attendance during the year 2021-22.

The Committee met 5 times during the FY 2021-22 on 05.04.2021, 30.06.2021, 14.08.2021, 13.11.2021 and 14.02.2022.

Name of the Member	No. of Meetings held	No. of Meetings attended
Shri Vijender Kumar Jain	5	5
Shri Mahavir Prasad Gupta	5	5
Shri Sunil Jain	5	5

The meetings of the Audit Committee are/ were also attended by the Managing Director (s), Executive Director(s), Chief Financial Officer, Statutory Auditors and Internal Auditors as Special Invitees as and when required. Shri Vijender Kumar Jain, Chairman of the Audit Committee, was present at the Annual General Meeting of the Company held on 30<sup>th</sup> September 2021, to answer shareholders' queries. The Company Secretary acts as the Secretary of the Committee.

The necessary quorum was present at all the meetings.

## 2. NOMINATION AND REMUNERATION COMMITTEE

Terms of Reference :- The Nomination and Remuneration Committee is authorized to exercise all powers and perform all the functions as specified in Section 178 of the Companies Act, 2013 and the rules made there under Regulation 19 read with Part D of the Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and suitably revised terms of reference of the Committee after incorporating therein the regulatory changes mandated under the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

### The composition of the Nomination and Remuneration Committee is as follows:

Independent Directors — Shri Mohan Lal Mangla – Chairman  
 — Shri Sunil Jain  
 — Shri Vijay Kumar Sood  
 — Shri Vijender Kumar Jain

Shri Vijay Kumar Sood w.e.f. 05.04.2021 resigned as member of Nomination and Remuneration Committee of the Company. Shri Vijender Kumar Jain appointed as member of Nomination and Remuneration Committee of the Company w.e.f. 05.04.2021.

The terms of reference of the committee are as contained in Regulation 19 read with Part D of the Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as specified in Section 178 & schedule V of the Companies Act, 2013.

**(B) Details of Meetings of Nomination and Remuneration Committees held and its attendance during the FY 2021-22.**

The Committee met 2 times during the Year 2021-22 on 30.06.2021 & 14.08.2021

Name of the Member	No. of Meetings held	No. of Meetings attended
Shri Mohan Lal Mangla	2	2
Shri Vijender Kumar Jain	2	2
Shri Sunil Jain	2	2

The appointment and remuneration of all the Executive Directors have been fixed in terms of Resolutions passed by members in General Meetings.

Remuneration paid to the Executive Directors during the financial year ended 31.03.2022 is given below:

(Amount in ₹)

Name	Designation	Salary	HRA	PF	Medical Exp.	Car Perk **	Other perks	Contract Period (No. of Yrs.)
Shri Devinder Kumar Jain	Mg. Director and CEO	45,00,000	22,50,000	21,600	1,40,089	36,300	Refer note	3
Shri Narinder Kumar Jain	Managing Director	45,00,000	22,50,000	21,600	74,139	36,300	Refer Note	3
Mr. Arun Jain	Whole Time Director	34,80,000	17,40,000	21,600	1,17,414	36,300	Refer Note	3
Mr. Manish Jain	Whole Time Director	34,80,000	17,40,000	21,600	2,09,999	32,400	Refer Note	3
Mr. Pankaj Jain	Whole Time Director and CFO	34,80,000	17,40,000	21,600	2,97,402	32,400	Refer Note	3
Mr. Neeraj Jain	Whole Time Director	34,80,000	17,40,000	21,600	147,389	32,400	Refer Note	3

**\*\* Car with Driver partly for personal use valued as per Income Tax Rules.**

**Note: - Other Perks and Allowances**

In addition following Perks and Allowances were permissible / allowed to all the Executive Directors:

- i) Gratuity and Leave encashment as per actuarial valuation
- ii) Telephones provided for official use.

The sitting fees paid/payable to the Non Executive (Independent) Directors for the year ended on 31<sup>st</sup> March 2022 are as follows:

Shri Mohan Lal Mangla	:	₹ 18,000	Shri Sunil Jain	:	₹ 18,000
Shri Mahavir Prasad Gupta	:	₹ 18,000	Shri Vijender Kumar Jain	:	₹ 22,500
Ms. Tejal Jain	:	₹ 18,000	Ms. Nisha Paul	:	₹ 18,000

### Detail of Shareholding of Non-Executive (Independent) Directors

Name	No. of Equity Shares held	Name	No. of Equity Shares held
Shri Mohan Lal Mangla	–	Shri Sunil Jain	–
Shri Mahavir Prasad Gupta	–	Shri Vijender Kumar Jain	–
Shri Vijay Kumar Sood	–	Ms. Nisha Paul	200
Ms. Tejal Jain	–		

The Company does not have any employee stock option scheme. There are no convertible instruments issued by the Company.

#### **Nomination & Remuneration Policy**

Remuneration policy in the Company is designed to create a high performance culture. It enables the Company to attract, retain and motivate employees to achieve results. Our business model promotes customer centricity and the remuneration structure is tailored to the regulations, practices and benchmarks prevalent in the industry. The Nomination and Remuneration Policy has been approved by Cosco (India) Limited's Board of Directors. The said policy has been also put up on the website of the Company at the following link-

[https://www.cosco.in/uploads/investors/nomination\\_and\\_remuneration\\_policy\\_1566037834.pdf](https://www.cosco.in/uploads/investors/nomination_and_remuneration_policy_1566037834.pdf)

The Company pays remuneration by way of salary, benefits, perquisites and allowances to its Managing directors and the Executive directors. Annual increments are decided by the Nomination and Remuneration Committee (NRC) within the salary scale approved by the members of the Company and are effective from April 1<sup>st</sup> each year. During the year 2021-22, the Company paid sitting fees of Rs. 4,500 per meeting to its non-executive directors for attending Board meetings.

The remuneration paid to the CEO & MD and the Executive Directors ('ED') is commensurate with industry standards and Board level positions held in similar sized companies, taking into consideration the individual responsibilities shouldered by them and is in accordance with the terms of appointment approved by the Members, at the time of their appointment/re-appointment.

#### **Succession Planning**

The NRC works with the Board on the leadership succession plan to ensure orderly succession in appointments to the Board and in the senior management. The Company strives to maintain an appropriate balance of skills and experience, within the organization and the Board, in an endeavor to introduce new perspectives, whilst maintaining experience and continuity.

#### **Performance Evaluation Criteria for Independent Directors:**

The performance evaluation criteria for Independent Directors is determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated include participation and contribution by a Director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behavior and judgement.

### **3. STAKEHOLDER'S RELATIONSHIP COMMITTEE**

Terms of Reference :- The Stakeholders Relationship Committee is authorised to exercise all powers and perform all the functions as specified in Section 178 of the Companies Act, 2013 and the rules made there under and Regulation 20 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said committee is authorised to look into redressal of shareholders / investors complaint and also authorised to issue duplicate share certificate in place of those torn /mutilated/ defaced/ lost/misplaced subject to compliance of prescribed formalities.

**The composition of the Stakeholder's Relationship Committee is as follows:**

Shri Sunil Jain	—	Chairman – Non Executive & Independent Director
Mr. Pankaj Jain	—	Executive Director
Mr. Neeraj Jain	—	Executive Director

The terms of reference of the committee are as specified in Section 178 of Companies Act, 2013 & under Regulation 20 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Terms of reference were suitably revised, after incorporating therein the regulatory changes mandated under the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

Ms. Tejal Jain has been appointed as Chairperson of Stakeholder's Relationship Committee w.e.f. 13<sup>th</sup> August, 2022.

**(B) Details of Meetings of Stakeholders Relationship Committees held and its attendance during the FY- 2021-22**

The Meetings of the Committee were normally held quarterly during the year 2021–22. The Committee met 4 times during the Year 2021-22 on 30.06.2021, 14.08.2021, 13.11.2021 and 14.02.2022.

Name of the Member	No. of Meetings held	No. of Meetings attended
Shri Sunil Jain	4	4
Mr. Pankaj Jain	4	4
Mr. Neeraj Jain	4	4

Total No. of Complaints received during the year	:	Nil
No. of unsolved complaints to the satisfaction of Shareholders	:	Nil
No. of transfers pending for registration for more than 15 days	:	Nil

The previous AGM of the company was held on September 30<sup>th</sup>, 2021 and was attended by Mr. Pankaj Jain & Mr. Neeraj Jain member(s) of the Stakeholders' Relationship Committee.

**4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The CSR Committee is constituted by the Board in accordance with the Act to:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- Monitor the Corporate Social Responsibility Policy of the Company from time to time.

The CSR Policy is uploaded on the Company's website at [https://www.cosco.in/uploads/investors/corporate\\_social\\_responsibility\\_policy\\_1499423528.pdf](https://www.cosco.in/uploads/investors/corporate_social_responsibility_policy_1499423528.pdf) as required under the provisions of Section 135 of the Act and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The details of the CSR initiatives as per the CSR Policy of the Company forms part of the Annual Report.

**The composition of the Corporate Social Responsibility Committee is as follows:**

Ms. Nisha Paul	—	Chairperson – Independent Director
Shri Devinder Kumar Jain	—	Executive Director
Mr. Pankaj Jain	—	Executive Director
Mr. Neeraj Jain	—	Executive Director

## Details of Meetings of Corporate Social Responsibility Committees held and its attendance during the FY 2021-22

The Meeting of the committee was held on 27<sup>th</sup> August, 2021 and 14<sup>th</sup> February, 2022. Quorum were present in the meetings.

Name of the Member	No. of Meetings held	No. of Meetings attended
Ms. Nisha Paul	2	2
Shri Devinder Kumar Jain	2	2
Mr. Pankaj Jain	2	2
Mr. Neeraj Jain	2	2

### Name, Designation and Address of Compliance officer

Ms. Sudha Singh  
 Company Secretary & Compliance Officer  
 2/8, Roop Nagar, Delhi- 110007  
 Ph. 011- 23843000

### GENERAL BODY MEETINGS

(I) Details of location and time of holding the last three AGMs.

Year	Location	Date & Time
40 <sup>th</sup> AGM – 2019	Amitabh, E-23, Bungalow Road, Kamla Nagar, Delhi 110007	30 <sup>th</sup> September, 2019 – 10.30 A.M.
41 <sup>st</sup> AGM – 2020	Due to COVID-19 Virus Pandemic held through video conferencing ('VC') /other audio visual means ('OAVM')	30 <sup>th</sup> September, 2020 – 02.30 P.M.
42 <sup>nd</sup> AGM - 2021	Due to COVID-19 Virus Pandemic held through video conferencing ('VC') /other audio visual means ('OAVM')	30 <sup>th</sup> September, 2021 – 12.00 Noon

- (a) No other Shareholders' Meeting was held in the last three years.
- (b) In the AGM held on 30<sup>th</sup> September, 2019 no Special Resolution(s) was passed.
- (c) Postal Ballot :-During the year FY- 2019-20 the Company approached the Shareholders once through Postal Ballots, through notice dt: 14 February 2019. A Snapshot of Voting results of the above mentioned postal ballot is as follows:

The Members of the Company have passed following Special Resolutions by way of Postal Ballot on 07<sup>th</sup> April, 2019 which was the last date of receipt of Postal Ballot forms and E-Voting.

Name of Resolution	Type of Resolution	No. of Votes Polled	No. of Votes cast in Favour	No. of Votes cast against
To alter/amend the Object Clause, of the Memorandum of Association of the Company	Special Resolution	3131014	3131014	0
To adopt new set of Articles of Association of the Company in conformity with the Companies Act, 2013.	Special Resolution	3131014	3131014	0

The Notice dated 14<sup>th</sup> February, 2019 was sent to the Members and the last date for receipt of postal ballot forms was 07<sup>th</sup> April, 2019. CS Mr. Ravi. Sharma, a Practising Company Secretary (FCS 4468) Partner of M/s. R S M & Co, Practising Company Secretaries, 2E/207, 2<sup>nd</sup> Floor, Caxton House, Jhandewalan

extension, New Delhi-110055 was appointed as scrutinizer for conducting this Postal Ballot Voting Process in a fair and transparent manner. According to the Scrutinizer's report, the Resolutions were passed by the requisite majority. The result of the postal ballot was declared on 8<sup>th</sup> April, 2019 on the website of the Company and informed to the BSE Limited, where the shares of the Company are listed for the information of the members.

- (d) In the AGM held on 30<sup>th</sup> September, 2020 Three Special Resolutions were passed in respect of ratification and approval of continuation of directorship of Shri Mahavir Prasad Gupta, Shri Mohan Lal Mangla and Shri Vijay Kumar Sood as an Independent Director's of the Company for the existing term of their office of 5 years from 1<sup>st</sup> October, 2017 to 30<sup>th</sup> September, 2022 as per the provisions of SEBI (LODR) Regulations 2015.
- (e) In the AGM held on 30<sup>th</sup> September, 2021 total 6 Special Resolution(s) were passed Two Special Resolutions were passed in respect of re-appointment of Shri Devinder Kumar Jain as Managing Director & CEO, and Shri Narinder Kumar Jain as Managing Director for a period of three years w.e.f. 16.03.2022 till 15.03.2025 and fixation of their remuneration and also restructuring their remuneration w.e.f. 01.04.2022 and Four Special Resolution(s) were passed To Approve and Ratify the Remuneration paid/payable to Mr. Arun Jain, Mr. Manish Jain, Mr. Pankaj Jain & Mr. Neeraj Jain Whole Time Directors of the Company as per the provisions of the Companies Act, 2013 and SEBI(LODR) Regulations 2015.

#### **Remote e-voting and e-voting at the AGM**

To allow the shareholders to vote on the Resolutions proposed at the AGM, the Company arranged for a remote e-voting facility. The Company engaged NSDL to provide e-voting facility to all the members. Members whose names appeared on the register of members as on 23<sup>rd</sup> September, 2021 were eligible to participate in the e-voting. The facility for voting through e-voting was also made available at the AGM and the members who did not cast their vote by remote e-voting were allowed to exercise their vote at the AGM through e-voting.

#### **Unclaimed Dividends**

Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund ("IEPF"), constituted by the Central Government. The Company has, accordingly require to transfer unpaid/unclaimed dividend amount pertaining to Dividend of FY 2015-16 due to transfer to the IEPF on 17<sup>th</sup> September, 2022 .

The Company had sent notice on 17<sup>th</sup> June, 2022 to members having unpaid/ unclaimed dividends before transferring of such dividend(s) to IEPF. Details of the unpaid/ unclaimed dividend are also uploaded on the website of the Company at [www.cosco.in](http://www.cosco.in). Members who have not encashed Dividend for FY 2015-16, are advised to write to the Company immediately.

Pursuant to the provisions of IEPF Rules, all shares in respect of which dividend has not been paid or claimed for seven consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority ("IEPF Account") within a period of thirty days of such shares becoming due to be transferred to the IEPF Account. Accordingly, equity shares of the Company on which the dividend remained unpaid/ unclaimed for seven consecutive years, are require to transfer to the IEPF Account during the year 2022, after following the procedure prescribed.

Further, Members who have not claimed/ encashed their dividends in the last seven consecutive years from 2015 are advised to claim the same. In case valid claim is not received, the Company will proceed to transfer the respective shares to the IEPF Account in accordance with the prescribed procedure under the IEPF Rules.

The Rules also prescribe the procedures to be followed by an investor to claim the shares/amount transferred to IEPF. To enable such Members to verify the details of unencashed dividends and the shares liable to be transferred to the IEPF Authority.

The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends on the website of the Company under 'Investors' section viz. [www.cosco.in](http://www.cosco.in)

The data on unpaid / unclaimed dividend is available on the Company's website at :  
[https://www.cosco.in/uploads/investors/unclaimed\\_interim\\_dividend\\_list\\_for\\_fy\\_2015\\_16\\_1473228184.pdf](https://www.cosco.in/uploads/investors/unclaimed_interim_dividend_list_for_fy_2015_16_1473228184.pdf)

Members who have not encashed their interim dividend warrants pertaining to the aforesaid year may approach the Company/its Registrar, for obtaining their unclaimed dividend.

Year	Dividend Per Share in ₹	Date of Declaration	Due Date for Transfer	Amount in ₹
2015-16	1	12.08.2015	17 <sup>th</sup> September, 2022	77,048

### Disclosures

#### i) Related Party Disclosures:

Related party disclosures are given at Note No. 35 in relation to Notes on Accounts to Financial Statements of the Company. The transactions with the related parties were not in conflict with the interests of the Company at large.

All transactions entered into with related parties as defined under the Act and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length basis. These have been approved by the audit committee. Further, there were no materially significant related party transactions that were entered during the year that have a potential conflict with the interests of your Company at large. A confirmation as to the compliance of Related party transactions as per LODR Regulations is sent to Stock exchange along with quarterly compliance report of Corporate Governance. The board has approved a policy for related party transactions which has been uploaded on the Company's website at the following link-

[https://www.cosco.in/uploads/investors/revised\\_policy\\_on\\_materiality\\_of\\_related\\_party\\_transaction\\_1649068668.pdf](https://www.cosco.in/uploads/investors/revised_policy_on_materiality_of_related_party_transaction_1649068668.pdf)

#### ii. Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchanges or the Securities and Exchange Board of India or any Statutory Authority, on any matter related to capital markets, during the last three years 2019-20, 2020-21 and 2021-22 respectively: **NIL**

#### iii. In accordance with the provisions of the Act and Regulation 22 of the SEBI Listing Regulations the Company has in place a Vigil Mechanism and a Whistle-Blower Policy duly approved by the Audit Committee which provides a formal mechanism for all Directors and employees of the Company to approach the Management of the Company (Audit Committee in case where the concern involves the Senior Management) and make protective disclosures to the Management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics policy. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. The Company affirms that no director or employee of the Company has been denied access to the Audit Committee.

The said policy has been also put up on the website of the Company at the following link-  
[https://www.cosco.in/uploads/investors/whistle\\_blower\\_policy\\_1566037432.pdf](https://www.cosco.in/uploads/investors/whistle_blower_policy_1566037432.pdf)

#### iv The Company has also adopted Policy on Determination of Materiality for Disclosures :- [https://www.cosco.in/uploads/investors/policy\\_for\\_determination\\_of\\_materiality\\_ofevents\\_or\\_information\\_1566038152.pdf](https://www.cosco.in/uploads/investors/policy_for_determination_of_materiality_ofevents_or_information_1566038152.pdf)

- v. Policy on Archival of Documents and Policy for Preservation of Documents.  
[https://www.cosco.in/uploads/investors/archival\\_policy\\_57137519215.pdf](https://www.cosco.in/uploads/investors/archival_policy_57137519215.pdf)
- vi. Prevention of Insider Trading Code: As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted Code of Conduct for Prevention of Insider Trading & Code of Corporate Disclosure Practices. All the Directors, Employees and third Parties such as Auditors, Consultants etc. who could have access to the Unpublished Price Sensitive Information of the Company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the Code.  
[https://www.cosco.in/uploads/investors/code\\_of\\_conduct\\_for\\_trading\\_by\\_insider\\_1566285109.pdf](https://www.cosco.in/uploads/investors/code_of_conduct_for_trading_by_insider_1566285109.pdf)  
[https://www.cosco.in/uploads/investors/revise\\_policy\\_on\\_materiality\\_of\\_related\\_party\\_transaction\\_1649068668.pdf](https://www.cosco.in/uploads/investors/revise_policy_on_materiality_of_related_party_transaction_1649068668.pdf)
- vii. None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such Statutory Authority. A Certificate to this effect, duly signed by the Practising Company Secretary is annexed to this Report. **(Annexure-'D3')**
- viii. Your Company has zero tolerance for sexual harassment at its workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Committee has been constituted in accordance with the provisions of the POSH Act to redress complaints received regarding sexual harassment and all the provisions regarding the constitution are complied with. For disclosure regarding the number of complaints filed, disposed of and pending, please refer to the Board's Report.
- ix. SEBI Complaints Redress System (SCORES) The Investors can also raise complaints in a centralized web based complaints redress system called "SCORES". The Company uploads the action taken report on the complaints raised by the Shareholders on "SCORES", which can be viewed by the Shareholder. The complaints are closed to the satisfaction of the shareholders and SEBI. During the financial year 2021-2022, no shareholder's complaint was received on SCORES by the Company.
- x. Commodity Price Risk/ Foreign Exchange Risk and Hedging The Company has foreign exchange risks. The Company imports health equipments and sports goods and also exports sports goods. Adverse changes in rupee exchange rates due to imports are partially offset by exports and by increase of sale price of the products as disclosed in note no. 37 of notes to the financial statements for the year ended March 31, 2022. The Company doesn't indulge in commodity hedging activities.
- xi. Report on Corporate Governance  
A report on Corporate Governance forms part of the Annual Report of the Company and is sent to the shareholders accordingly. The Company also submits a quarterly compliance report on Corporate Governance to the Stock Exchanges within the time stipulated under SEBI(LODR) 2015. Disclosures of Compliance with Corporate Governance Requirements.  
The Company has complied with Corporate Governance Requirements as specified in Regulation 17 to 27 of LODR. The Company has complied with Clause (b) to (i) of sub regulation (2) of Regulation 46, relating to website disclosures. The Company's website contains a separate section 'Investor Relations' where members can access the details of the Board, Policies, the Board Committee, financials, details of unclaimed dividend and shares transferred/ liable to be transferred to IEPF, Stock exchange disclosures etc.

## CREDIT RATINGS

Credit Ratings given below on Bank Facilities of Cosco (India) Limited assigned by CRISIL has been reaffirmed :

Bank Facility	Bank	Amount (₹ in crore)	Rating
Cash Credit Facility	Bank of India	28.00*	CRISIL BBB/Stable

\*Sanction limit ₹ 28.00 Crore

\*Credit rating assigned for ₹ 34.00 Crore

### Details of total fees paid to statutory auditors

The details of total fees for all services paid by the Company on a consolidated basis, to the Statutory Auditor and all entities in the network firm / network entity of which the Statutory Auditor is a part, are as follows :

Details of Auditor Remuneration	2021-22 (₹ in Lakhs)	2020-21 (₹ in Lakhs)
For Audit	5.50	5.15
For Tax representation		
For other Services		
Reimbursement of expenses		
Total	5.50*	5.15*

\*Excluding GST

### RECONCILIATION OF SHARE CAPITAL AUDIT:

A qualified Practising Company Secretary carried out quarterly Share Capital Audit to reconcile the total admitted Equity Share Capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed Equity Share Capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

### Code of Conduct

In compliance with Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, the Company has framed and adopted The Code applicable to the members of the board and senior management personnel and all employees of the Company. The Code is available on the website of the Company [www.cosco.in](http://www.cosco.in).

All the members of the Board and Senior Management Personnel have affirmed the compliance with the Code applicable to them during the year ended March 31<sup>st</sup>, 2022. The Annual Report of the Company contains a Certificate by the CEO and Managing Director in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 based on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management.

### CEO/CFO Certification

A Certificate from Managing Director & CEO and Whole Time Director & CFO as per requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, was placed before the Board regarding the Financial Statements of the Company, Specified Transactions, Internal Controls, Significant Changes, if any, in Accounting Policies, for the year ended 31<sup>st</sup> March, 2022. The same has been provided in this Annual Report.

### Means of Communication

- The unaudited quarterly results are announced within forty-five days of the end of the quarter and the audited annual results within sixty days from the end of the last quarter as stipulated under the LODR regulations. The aforesaid financial results are taken on record by the Board of Directors and are communicated to the Stock Exchange where the company's securities are listed. The Quarterly, Half Yearly, Results were not sent to household of Shareholders.
- Once the Stock Exchange has been intimated, these results are also published within 48 hours in English newspaper: The Pioneer, and Hindi newspaper The Pioneer-Delhi.
- All the data required to be filled electronically, such as quarterly financial results, shareholding pattern are being regularly uploaded on the Company's website: [www.cosco.in](http://www.cosco.in) and also uploaded on BSE <https://listing.bseindia.com/home.htm>.
- The Annual Report containing inter alia Audited Annual Accounts, Directors' Report, Auditors' Report and other important information forming part of Annual Report is displayed on the Company's website.
- The Annual report is forwarded to all members in electronic mode, whose email IDs are registered with Depositories. The company also informs by way of intimation BSE Limited and placing on its website all price sensitive matters or such other relevant matters, which in its opinion are material. The Company has not displayed any official news release on the Company's website. No presentations were made to any institutional investors or analysts.

### Management Discussion & Analysis

Management Discussion & Analysis forms part of the Annual Report.

### GENERAL SHAREHOLDER INFORMATION

#### a) 43<sup>rd</sup> Annual General Meeting

Date and Time : 30<sup>th</sup> September, 2022 at 12.00 Noon through Video - Conferencing ("VC"/Other Audio Visual means) ("OAVM")

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Particulars of Directors seeking appointment / re-appointment at the forthcoming AGM are given in the Annexure to the notice of the AGM to be held on September 30<sup>th</sup>, 2022.

#### b) Financial Calendar

Financial Year : 1<sup>st</sup> April to 31<sup>st</sup> March

For the year ended 31<sup>st</sup> March 2022 the quarterly results were announced as under:-

1<sup>st</sup> Quarter ended 30<sup>th</sup> June 2021 : 14<sup>th</sup> August, 2021  
 2<sup>nd</sup> Quarter ended 30<sup>th</sup> September 2021 : 13<sup>th</sup> November, 2021  
 3<sup>rd</sup> Quarter ended 31<sup>st</sup> December 2021 : 14<sup>th</sup> February, 2022  
 4<sup>th</sup> Quarter ended 31<sup>st</sup> March 2022 : 30<sup>th</sup> May, 2022

For the year ending 31<sup>st</sup> March 2023, the Schedule of announcement of results is as under:-

1<sup>st</sup> Quarter ended 30<sup>th</sup> June 2022 : 13<sup>th</sup> August, 2022  
 2<sup>nd</sup> Quarter ending 30<sup>th</sup> September 2022 : Second week of November, 2022  
 3<sup>rd</sup> Quarter ending 31<sup>st</sup> December 2022 : Second week of February, 2023  
 4<sup>th</sup> Quarter ended 31<sup>st</sup> March 2023 : Last week of May, 2023

#### c) Book Closure Date

From 24<sup>th</sup> September 2022 to 30<sup>th</sup> September 2022 (both days inclusive)

#### d) Dividend Payment Date

: No Dividend declared during the FY 2021-22.

#### e) Listing of Equity Share

: BSE Ltd.  
 : Delhi Stock Exchange Ltd. (Non Functional)

The listing fee has been paid up to date to BSE Limited.

- f) (i) Stock Code/Security Code : BSE Limited(BSE): 530545  
(ii) Demat ISIN Numbers in NSDL & CDSL : Equity Shares - INE949B01018

**Stock Market Price Data: High low quotations on the Bombay Stock Exchanges during each month for the year 2021 - 2022 & performance in comparison to BSE Index:**

Months	Market Price*(In ₹ )		BSE Index**	
	High ( ₹ )	Low ( ₹ )	High	Low
April, 2021	111.0	95	50375.77	47204.5
May, 2021	166.0	98.25	52013.22	48028.07
June, 2021	179.5	141.05	53126.73	51450.58
July, 2021	225.0	160.4	53290.81	51802.73
August, 2021	218.0	136.15	57625.26	52804.08
September, 2021	161.9	127.15	60412.32	57263.9
October, 2021	187.35	147.1	62245.43	58551.14
November, 2021	188.4	145.5	61036.56	56382.93
December, 2021	172.9	145.2	59203.37	55132.68
January, 2022	299.0	153.25	61475.15	56409.63
February, 2022	285.9	213.55	59618.51	54383.2
March, 2022	252.85	202.65	58890.92	52260.82

**Shareholding Pattern as on 31<sup>st</sup> March, 2022.**

Category of Shareholders	No. of Shares held at the end of the year (March 31 <sup>st</sup> , 2022)	
	Total No. of Shares	% of Total Shares
<b>A. Promoter s</b>		
(1) Indian		
a) Individual/ HUF	1,464,800	35.20
b) Central Govt	-	-
c) State Govt(s)	-	-
d) Bodies Corp.	1,655,000	39.77
e) Banks / FI	-	-
f) Any other	-	-
<b>Total shareholding of Promoter (A)</b>	<b>3,119,800</b>	<b>74.98</b>
<b>B. Public Shareholding</b>		
1. Institutions	-	-
a) Mutual Funds	-	-
b) Banks / FI	-	-
c) Central Govt	-	-
d) State Govt(s)	-	-
e) Venture Capital Funds	-	-
f) Insurance Companies	-	-
g) FIs	-	-
h) Foreign Venture Capital Funds	-	-
i) Others (specify)	-	-
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>-</b>
2. Non Institutions		
a) Bodies Corp.		
i) Indian	193,392	4.65
ii) Overseas	-	-
b) Individuals		
i) Individual shareholders holding nominal share Capital up to ₹ 1 lakh	471,779	11.34
ii) Individual shareholders holding nominal Share capital in excess of ₹ 1 lakh	343,514	8.26
c) Others (specify)		
Non Resident Indians	7,585	0.18
Overseas Corporate Bodies	-	-
Hindu Undivided family	19,447	0.46
Foreign Nationals	-	-
Clearing Members	3,080	0.09

Trusts	50	0.00
Others	1,625	0.04
Foreign Bodies - D R	-	-
<b>Sub-total (B)(2):-</b>	<b>1,041,200</b>	<b>25.02</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1,041,200	25.02
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>4,161,000</b>	<b>100</b>

#### Distribution of Shareholding as on 31<sup>st</sup> March, 2022.

Share holding Nominal Value (₹)	Number of Shareholders	% to Total Numbers	Share holding Amount (₹)	% to Total Amount
1	2	3	4	5
Up To 5,000	3,156	93.84	25,21,160.00	6.06
5001 To 10,000	99	2.94	7,71,670.00	1.85
10001 To 20,000	42	1.25	5,97,740.00	1.44
20001 To 30,000	14	0.42	3,55,250.00	0.85
30001 To 40,000	6	0.18	2,19,240.00	0.53
40001 To 50,000	9	0.27	4,101,90.00	0.99
50001 To 1,00,000	5	0.15	3,63,150.00	0.87
1,00,000 and Above	32	0.95	3,63,71,600.00	87.41
<b>Total</b>	<b>3,363</b>	<b>100.00</b>	<b>41,610,000.00</b>	<b>100.00</b>

Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any convertible instruments, conversion date and likely impact on equity: **NIL**

Commodity price risk or foreign exchange risk and hedging activities: **NIL**

#### Dematerialization of Shares and liquidity

Electronic holding of members comprises 98.56% of the paid up Equity Shares of the Company as at 31<sup>st</sup> March, 2022. The Shares of the Company are available for trading with both the Depositories, namely; National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). As stipulated by Securities and Exchange Board of India (SEBI), a qualified practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to stock exchange, and is also placed before the Board of Directors. No discrepancies were noticed during these audits

#### REGISTRAR AND SHARE TRANSFER AGENTS

All work related to investor servicing relating to shares are handled by the Registrar and Share Transfer Agents (R & TA) of the Company.

#### Address for Correspondence:

For Share Transfer/Demat of Share or any other query relating to Shares:

#### M/s Skyline Financial Services Pvt. Ltd.,

D-153/A, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-I, New Delhi- 110020.

Ph. 011- 40450193 to 197 & 26812682-83, Tele-Fax: 91-11-26812682

E-mail ID: admin@skylinerta.com.

#### Places for acceptance of documents :

Documents will be accepted at the above address between 10.00 a.m. and 3.30 p.m. (Monday to Friday except holidays).

## SHARE TRANSFER SYSTEM

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

All requests for dematerialization of securities held in physical form, should be lodged with the office of the Company's Registrar & Share Transfer Agent, Skyline Financial Services Private Limited, Delhi. Securities lodged for transfer at the Registrar's address are normally processed within 15 days from the date of lodgment, if the documents are clear in all respects. All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 15 days.

The Executives of the Registrar are empowered to approve dematerialization of shares and other investor related matters. and other miscellaneous correspondence on change of address, mandates, etc. are processed by the Registrars within 15 days.

Further, SEBI vide its circular dated January 25, 2022, mandated that all service requests for issue of duplicate certificate, claim from unclaimed suspense account, renewal/ exchange of securities certificate, endorsement, sub-division/splitting/consolidation of certificate, transmission and transposition which were allowed in physical form should be processed in dematerialised form only. The necessary forms for the above request are available on the website of the Company i.e. [www.cosco.in](http://www.cosco.in) Shareholders holding shares in physical form are advised to avail the facility of dematerialization. Shareholders should communicate with the Company's Registrars & Share Transfer Agent at [admin@skylinerta.com](mailto:admin@skylinerta.com) quoting their folio number or Depository Participant ID and Client ID number, for any queries relating to their securities.

### **Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, Conversion date and likely impact on equity:**

The Company has not issued any GDRs / ADRs / Warrants or any Convertible Instruments in the past and hence as on March 31<sup>st</sup>, 2022, the Company does not have any outstanding GDRs/ADRs / Warrants or any convertible instruments.

### **Plant Location:**

The Factory is situated at : 1688-2/31, Railway Road, Near Railway Station, Gurugram- 122001 (Haryana)  
Phones: 91-124-2251781, 2251782, 2251783  
Email: [gurgaon@cosco.in](mailto:gurgaon@cosco.in)

### **Status of compliances of Non mandatory requirements**

1. The Board: The Company is headed by Managing Director and CEO.
2. The Auditors' Report on Statutory Financial Statements of the Company is unqualified.
3. M/s PARM and Associates LLP (Formerly known as P A R M & S M R N), Chartered Accountants the Internal Auditors of the Company, make presentations to the Audit Committee on their Reports. The Company has not adopted the non-mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) except as stated hereinabove.

**ANNEXURE – 'D2'**  
**(Forming Part of the Directors' Report)**

**CERTIFICATE BY PRACTISING COMPANY SECRETARY ON COMPLIANCE WITH THE  
CONDITIONS OF CORPORATE GOVERNANCE UNDER SEBI (LISTING OBLIGATIONS AND  
DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**TO**

**THE MEMBERS OF  
COSCO (INDIA) LIMITED**

1. We have examined the compliance of conditions of Corporate Governance by Cosco (India) Limited (CIN L25199DL1980PLC010173) for the year ended on 31.3.2022, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations read with schedule V for the period to 31<sup>st</sup> March, 2022.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an Audit nor an expression of Opinion on the Financial Statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned in Listing Regulations as applicable.
4. We 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.

**For Akhil Rohatgi & Co**  
Companies Secretaries  
Reg. No.: P1995DE072900

**Deepak Kumar**  
Partner  
FCS No.: F10189  
CP No: 11372  
**UDIN: F010189D000856628**

Place: Delhi  
Date: 26<sup>th</sup> August, 2022

**ANNEXURE – 'D3'**  
**(Forming Part of the Directors' Report)**  
**Certificate from Company Secretary in Practice**  
**Certificate of Non-Disqualification of Directors**  
**(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI**  
**(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
The Members,  
**Cosco (India) Limited,**  
Registered Office: 2/8, Roop Nagar, Delhi-110007

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Cosco (India) Limited having CIN L25199DL1980PLC010173 and having registered office at 2/8, Roop Nagar, Delhi-110007 (hereinafter referred to as 'the Company') and produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule-V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Full Name	DIN	Date of Appointment
1	Shri Devinder Kumar Jain	00191539	25/01/1980
2	Shri Narinder Kumar Jain	00195619	29/09/1989
3	Mr. Arun Jain	01054316	01/05/2007
4	Mr. Manish Jain	00191593	01/04/1998
5	Mr. Pankaj Jain	00190414	01/04/1998
6	Mr. Neeraj Jain	00190592	01/04/1998
7	Shri Mahavir Prasad Gupta	00190550	30/03/2003
8	Shri Mohan Lal Mangla	00311895	07/10/1997
9	Shri Sunil Jain	00387451	30/03/2003
10	Shri Vijender Kumar Jain	06423328	31/10/2012
11	Smt. Nisha Paul	00325914	01/10/2014
12	Shri Vijay Kumar Sood*	01525607	01/05/2007
13	Ms. Tejal Jain**	09219682	30/06/2021

\*Shri Vijay Kumar Sood has passed away on 28.04.2021.

\*\* Ms. Tejal Jain has been appointed as Independent Director w.e.f. 30.06.2021

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

**For Akhil Rohatgi & Co**  
Company Secretaries  
Reg. No.: P1995DE072900

**Deepak Kumar**  
Partner  
FCS No.: F10189,  
CP No.:11372  
**UDIN:F010189D000856551**

Place: Delhi  
Date : 26<sup>th</sup> August, 2022

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND  
SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website. I confirm that the Company has in respect of the year ended March 31<sup>st</sup>, 2022, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Executive Directors, Chief Financial Officer, Company Secretary and employees in the Executive cadre as on March 31<sup>st</sup>, 2022.

Delhi  
26<sup>th</sup> August, 2022

**Devinder Kumar Jain**  
Managing Director and Chief Executive Officer  
DIN : 00191539

**CEO and CFO Certification  
COMPLIANCE CERTIFICATE**  
[Pursuant to Regulation 17(8) of SEBI  
(Listing Obligations and Disclosure Requirements)  
Regulations, 2015]

To,

The Board of Directors  
**Cosco (India) Limited**  
2/8, Roop Nagar, Delhi-110007

Dear Members of the Board,

We, Devinder Kumar Jain - Managing Director and Chief Executive officer and Pankaj Jain - Whole Time Director and Chief Financial Officer of Cosco (India) Limited, to the best of our Knowledge and belief, certify that:

1. We have reviewed the Balance Sheet, Statement of Profit and Loss, Cash Flow statement and Statement of change in Equity of the Company for the year ended March 31<sup>st</sup>, 2022 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 view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violate the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit committee:
  - (i) that there have been no changes in internal control over financial reporting during the year
  - (ii) that there have been 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) We are not aware of any instances of significant fraud with involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Devinder Kumar Jain**  
Managing Director and CEO  
DIN : 00191539

**Pankaj Jain**  
Whole Time Director and CFO  
DIN: 00190414

**ANNEXURE - 'E'**  
**(Forming Part of the Directors' Report)**

**MANAGEMENT DISCUSSION AND ANALYSIS (MD & A)**

This may be read in conjunction with the Directors' Report

**Global Economy**

Global GDP after contracting by 3.3% in 2020, is estimated to have grown by 6.1 % in 2021. The strong economic growth was led by resurgence in goods consumption across categories. The year 2021 saw consumer demand recover as the global economy rebounded after the Covid-19 pandemic shock of 2020. Strong vaccination drive across all major economies and the progressive revival of global supply chains led to synchronised global recovery at a significant pace.

The International Monetary Fund in its World Economic Outlook Report published in July 2022 foresees gloomy and uncertain economic outlook. The tentative recovery in 2021 has been followed by increasingly gloomy developments in 2022 as risks began to materialize. Global output contracted in the second quarter of this year, owing to downturns in China and Russia. Several shocks have hit a world economy already weakened by the pandemic: higher-than-expected inflation worldwide—especially in the United States and major European economies—triggering tighter financial conditions; a worse-than-anticipated slowdown in China, reflecting COVID-19 outbreaks and lockdowns; and further negative spillovers from the war in Ukraine. The baseline forecast is for growth to slow from 6.1 percent last year to 3.2 percent in 2022;

Global inflation due to food and energy prices as well as lingering supply-demand imbalances, is anticipated to reach 6.6 percent in advanced economies and 9.5 percent in emerging market and developing economies this year. Almost all the central banks are now taking policy measures to taper down the extraordinary liquidity that was pumped in to support the economy during the pandemic and tightening the monetary policy to rein in their runaway inflation. Tighter monetary policy will inevitably have real economic costs.

As per MPC's meeting of RBI held in August 2022, the global economic and financial environment has deteriorated with the combined impact of monetary policy tightening across the world and the persisting war in Europe heightening risks of recession. Grippled by risk aversion, global financial markets have experienced surges of volatility and large sell-offs. The US dollar index soared to a two-decade high in July. Both advanced economies (AEs) and emerging market economies (EMEs) witnessed weakening of their currencies against the US dollar. EMEs are experiencing capital outflows and reserve losses which are exacerbating risks to their growth and financial stability.

**Indian Economy**

In tandem with the global recovery, the Indian economy has recovered to the pre-pandemic real GDP level of 2019-20. According to the estimates of GDP released by Central Statistical Office, Real GDP growth in FY 2021-22 stands at 8.7%, which is 1.5% higher than the real GDP in FY 2019-20, compared to that of a negative growth of 6.6% in the previous FY 2020-21. These figures are associated with stronger growth momentum, indicating increased economic demand. The investment rate in the fourth quarter increased to its highest level in the previous nine quarters. Moreover, capacity utilisation in the manufacturing sector rose in the fourth quarter, as against the third quarter, implying a build-up in demand, which is consistent with the growth objectives of the Indian economy.

The first half of FY 2021-22 continued to be impacted by uncertainties caused by the COVID-19 pandemic, impacting markets to a varied extent. Lockdowns in many markets continued to impact economic activity and consumer sentiment. At the same time, the constrained operating environment led to unique and innovative ways of doing business while ensuring strict adherence to safety protocols. Availability of vaccines along with aggressive steps by governments to promote vaccination, helped mitigate the adverse impact of the pandemic. As the year went by, it led to reopening of more sections of the economies we operate in. The supportive fiscal and monetary policies backed this economic recovery.

Export-focused sectors have gained from the improvement in global trade as well as government initiatives that have pitched India as an attractive investment destination to global corporations who have been looking to de-risk their supply chains as part of their China Plus One strategy. However, an upswing in inflation across commodities and products has resulted in rising import bills and a depreciating rupee, which have compromised many of the import-dependent sectors.

As per RBI (MPC's meeting held in August 2022) - Domestic economic activity remains resilient; Urban demand is strengthening while rural demand is gradually catching up; Merchandise exports recorded a growth of 24.5 per cent during April-June 2022; CPI inflation eased to 7.0 per cent (year-on-year, y-o-y) during May-June 2022 from 7.8 per cent in April; Food inflation has registered some moderation; Overall system liquidity continues in surplus. Spillovers from geopolitical shocks are imparting considerable uncertainty to the inflation trajectory. The inflation is projected to be 6.7% in 2022-23. To contain Inflationary pressures the RBI further increased policy Repo rate by 0.50 basis to 5.4%. This is the 3<sup>rd</sup> consecutive increase in Repo rate –the cumulative increase of 1.4% in the last few months to combat inflation taking the Repo rate up from 4% to 5.4%. On the outlook for growth, rural consumption is expected to benefit from the brightening agricultural prospects. The demand for contact-intensive services and the improvement in business and consumer sentiment should bolster discretionary spending and urban consumption. Investment activity is expected to get support from the government's capex push, improving bank credit and rising capacity utilisation. RBI's Outlook survey expect sequential expansion in production volumes and new orders in Q2:2022-23, which is likely to sustain through Q4. On the other hand, elevated risks emanating from protracted geopolitical tensions, the upsurge in global financial market volatility and tightening global financial conditions continue to weigh heavily on the outlook. Taking all these factors into consideration, the real GDP growth for 2022-23 is projected at 7.2 per cent.

The MSME sector has been underperforming for too long owing to various structural reasons. This sector has been constrained by high cost of credit due to lack of adequate information, lack of modern technology, research and innovations, insufficient training and skill development, and labour laws constraints. Key reforms relating to MSMEs, viz., removal of definitional difference between manufacturing and service-based MSMEs, increased threshold limit to define an enterprise as an MSME, and adding turnover as another criteria to define MSMEs, besides investment scale, coupled with partial reforms in labour laws is transforming manufacturing in India. The MSME sector has immense potential to become the engine of growth.

Despite continuing geopolitical concerns, rising interest rates in the US and India and high prices of crude oil and few other commodities, economic activity in India is holding up better than anticipated. Electricity consumption, manufacturing PMI, exports, power supply and other high-frequency indicators indicate that the pace of economic activity has substantially recovered from the COVID-19 pandemic shock. Economic growth is anticipated to be fueled by the effective implementation of PLI schemes, development of renewable energy sources while diversifying import dependence on crude oil and bolstering of the banking sector. The government is also focusing on renewable sources to generate energy, and is planning to achieve 40% of its energy from non-fossil sources by 2030. Recent government initiatives to boost revenue will aid in containing the rise in the current account deficit and ensure that any potential fiscal slippage is adequately contained.

India's nominal GDP at current prices was estimated at Rs. 232.15 trillion (US\$ 3.12 trillion) in FY22. Exports fared remarkably well during the pandemic and aided recovery when all other growth engines lost steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown.

India has emerged as the fastest-growing major economy in the world, and is expected to be one of the top three economic powers globally over the next 10-15 years, backed by its robust democracy and strong partnerships. India has the third-largest unicorn base in the world with more than 100 unicorns. According to a Boston Consulting Group (BCG) analysis, India is expected to be the third-largest consumer economy as its consumption may rise to US\$ 4 trillion by 2025 due to changes in consumer behaviour and spending patterns. By 2040, India is anticipated to overtake the US to become the second-largest economy in terms of purchasing power parity (PPP), according to a report by Pricewaterhouse Coopers.

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## Industry Structure and Developments

India's Export of Sports Goods and Toys rose significantly during FY 2021-22. As per data based on the export returns submitted by its members, compiled by The Sports Goods Export Promotion Council, the export of sports goods & toys for the year 2021-22 has been recorded as ₹ 1814 Crore as compared to ₹ 1306 Crore during 2020-21, an increase of about 28% in Rupee terms.

India exports sporting goods to the USA, China, Australia, Germany, the UAE, the UK, Netherlands, France, South Africa, Sweden, Canada, Belgium, Brazil, Chile, Denmark, and a total of more than 200 countries. During 2021-22, the USA, the UK, Australia, Canada, Germany, and Netherland were among the top importers of Indian sporting goods. Major exported items are inflatable balls and accessories, nets, general exercise equipment, boxing equipment, toys and games, protective equipment, cricket equipment, sportswear, carrom boards and hammock. Indian sports products have been exported for global events. India has emerged as one of the leading international sourcing destination for inflatable balls and other sports goods for international brands such as Mitre, Lotto, Umbro and Wilson. As per Exim Bank analysis, the UK is the largest importer of India's export of Tennis balls, inflatable balls, and other balls (excl. golf balls, and table tennis balls), followed by Australia and UAE in the same order of exports.

Sports and fitness is considered to be one of the largest revenue generating businesses all over the world. It is a billion dollar industry which in itself and has many sub branches. Sports and fitness is able to contribute to 1 to 5 percent of any country's GDP. Sport is regarded as one of the largest industries globally in terms of employment and revenue. It enhances the revenue growth and the employment rate of a particular country which is quite essential for an overall growth and development of that place. In developed countries, sports contribute around 2 to 4 percentage of total employment. The sports and fitness sector involves several promising sub sectors, which include sporting goods (manufacturing and retail), health & fitness goods & equipments, sports apparel industry, sports tourism and other opportunities in the field of sports management and sponsorships.

Sports Goods Industry in India has been predominantly in small and tiny sector based on manual processes. India's sports goods industry is nearly a century old and has flourished, driven by a skilled workforce. Being labour-intensive in nature, the industry provides employment to many people. The main clusters of sports goods industry in India are in and around, Gurgaon, Jalandhar and Meerut and these accounts for more than 75 per cent of total production. Foreign Brands and overseas manufacturers/suppliers from China and other countries are having edge over Indian manufacturers. Sports Industry in India needs continuous Technological Upgradation, Setting up of composite sports clusters equipped with technical and logistics support of international standards and JVs with global Industry leaders. The Industry needs to diversify its product range and should go in for the production of Hi- tech sports items and physical equipment(s). The Indian Sports Goods Industry is gradually moving towards mechanization with technology upgradation on a reasonable scale for increasing productivity and competitiveness of Indian Sports Goods Sector. The Industry is gradually adapting new technology to keep up with the changing global trends. The sports goods industry has potential for employment, growth and export and to become the next big industry in India. Sports Infrastructure of International Standards is key for Development of Sports Sector. Public Private Partnership in creating Sports Infrastructure needs to be encouraged. Sports Infrastructure utilization needs to be optimized for the development of Sports Sector.

## Initiatives by Government and Authorities for Sports Promotion

The sports sector has the potential to make significant contribution to the economy. Sports can make significant socio- economic impact on a nation and its citizens. It plays an important role in ensuring physical fitness and healthy lifestyle among the citizens of a country. It unites people from diverse backgrounds, hence promoting peace and development. With the Government providing numerous opportunities to sports persons, sports also promotes social inclusiveness. Greater sports participation is critical to the future health and productivity of India's large population. The Indian Government has made improving sports outcomes a strategic priority.

The Ministry of Youth Affairs & Sports has formulated the following schemes to promote sports in the country, including in rural, tribal and backward areas: -

(i) Khelo India Scheme (ii) Assistance to National Sports Federations; (iii) Special Awards to Winners in International sports events and their Coaches; (iv) National Sports Awards, Pension to Meritorious Sports Persons; (v) Pandit Deendayal Upadhyay National Sports Welfare Fund; (vi) National Sports Development Fund; and (vii) Running Sports Training Centres through Sports Authority of India. Khelo India (National Program for Development of Sports Scheme) launched in 2016 post the fusion of three earlier schemes – Rajiv Gandhi Khel Abhiyan (RGKA), Urban Sports Infrastructure Scheme (USIS), and National Sports Talent Search Scheme (NSTSS), aims to achieve twin goals of mass participation and advancement of greatness in sports. The plan endeavors to advance “Sports for All” as well as “Sports for Excellence”. The plan was revamped in the year 2017 with an aim to mainstream sports as an instrument for individual and local area development, monetary development, and national development. Ministry has decided to establish 1000 Khelo India Centres across the country and many Centres have already been notified. Under the Khelo India Scheme, talent search has been started at grassroots level in two categories:- Sports potential talent identification & Proven talent identification. Under the 'Talent Search and Development' vertical of the Khelo India Scheme, Khelo India Athletes identified and selected under the scheme are provided annual financial assistance. Under the “Support to National/Regional/State Sports Academies” vertical of the Khelo India Scheme, sports academies are accredited for the training of the Khelo India Athletes. India is divided into 05 zones namely North, East, West, South and North-East Zones to carry out talent identification. Grassroot Zonal Talent Identification Committees are formed to reach out to each and every corner of the country to shortlist the potential and proven athletes. Fit India Movement was launched on the occasion of National Sports Day on 29 August, 2019 by Prime Minister. Sports Talent Search Portal was launched to recognize the best talent among the youth of India. The portal allows youngsters to upload their achievements. Those who get shortlisted are then called for trials and the qualified candidates then take part in the schemes of the Sports Authority of India (SAI). Significant level committee constituted in 2017 on the occasion of International Women Day in 2017 to address complaints and issues of women sports persons. The Empowered Steering Committee (ESC) was comprised in January 2017 on the recommendations of the Olympic Task Force for preparing a far-reaching action plan for the powerful participation of Indian players in the Olympic Games of 2021 (Tokyo), 2024 (Paris), and 2028 (Los Angeles). National Sports Awards Scheme acknowledges and respects sports personalities with the Arjuna Awards, Rajiv Gandhi Khel Ratna, Dhyan Chand Awards, and Dronacharya Awards for their achievements and commitments as sports persons and coaches in the field of sports. Sports and Games for Persons with Disabilities Scheme - Under this plan, the differently-abled sports persons are trained in their field for conducting sports competitions and assisting schools and institutes having differently-abled sports persons. Target Olympic Podium Scheme - The Sports Ministry released the 'Target Olympic Podium (TOP)' Scheme in May 2015 under the National Sports Development Fund (NSDF) to help the potential medal possibilities for the Olympic Games. The main focus is given to Athletics, Badminton, Boxing, Archery, Wrestling, Shooting sports and other Sports having medal prospects.

The Sports Authority of India (SAI) that works supporting the Ministry of Youth Affairs and Sports is credited for the advancement of Sports and Games in the country. Authority formulates and executes a progression of changes and schemes to help Sports department. Sports Authority of India with a view to promote sports at Sub-Junior, Junior and Senior levels is implementing various schemes all over the country. The youth India is taking keen interest across diversified Sports and the popularity of sports is increasing among the masses. Girls and Women are actively participating in Sports events.

The Sports Goods Export Promotion Council (SGEPC) regularly arranges international and domestic trade events for the development and exposure of Indian sporting goods. The Market Access Initiative (MAI) scheme has been implemented to play a catalytic role in promoting and exporting Indian goods and services. The main objective of the MAI scheme is to promote the export of Indian goods to international markets. Under this scheme, financial assistance will be provided to export & trade promotion organizations, national institutes, research institutes, exporters, etc. The scheme for the remission of Duties and Exported Products (RoDTEP) has also been implemented to support the Indian exporters. The MDA scheme works mainly to assist the exporters in export promotion activities in the international markets. The scheme also assists the respective export promotion councils in undertaking export promotion activities for their products.

The various initiatives taken by the Government in the recent past to boost the sports is yielding results and will have positive impact on the sports industry in future.

### **Opportunities & Threats, Risks and Concerns:**

The Government of India is making significant investment on the development and promotion of Sports as stated hereinbefore. In addition, the State Governments and a number of other stakeholders are also working to support youth development and to enable productive youth participation in sports and physical activities.

The Indian Sports Goods manufacturers need to penetrate Export Markets. New Markets and Overseas buyers, who are also looking for alternate sources of supply in addition to China and developing countries, need to be explored for Exports. The Sports Industry in India has some good quality manufacturing units and skilled manpower base. The Industry players should further expand and set up manufacturing facilities with upgraded technology to manufacture import substitute and export oriented products.

The company manufactures mainly Sports Balls and deals in wide range of Sports Goods and Fitness Equipments. It has tie ups and arrangements with reputed International and Domestic manufacturers /suppliers. The Company has network of branches, distributors and about 800 authorized dealers in India and is one of the leading and most organized Indian Company in Sports Industry.

'Cosco Brand' is well recognized in the Domestic Market. The company has immense potential to leverage upon its brand, accreditation and quality to increase sales and profitability. The Company on continuous basis upgrades the quality of its products with in-house R & D. The products manufactured/traded by the company conform to International Standards.

### **Segment-wise product-wise performance**

The Company's products segments are classified broadly into two segments viz

- Own manufactured products viz Sports Balls
- Traded Goods viz Fitness Equipments and other Sports Goods.

The Segment wise performance and relevant information is given in Notes on the Financial Statements (Refer Note No. 34 of Notes on the Financial Statements – Segment Information)

### **Outlook**

Over the last two years, Economies have become more adept at dealing with the pandemic and its fall-out and have put much-needed attention to improving the health infrastructure. The roll-out of vaccination across the length and breadth of India, and reduced hospitalisation and fatality, have enabled the administration to focus on the reopening of the economy, creating employment and supporting livelihoods. However, as seen during the resurgence of COVID cases in early 2022, with the emergence of the Omicron variant, risks to the growth momentum remain pronounced. In addition, recent geopolitical events have added further fuel to the already steep inflationary trends. Policymakers in India, as in the rest of the world, will have to do a tough balancing act in trying to manage the downside risks to the economy, which is still recovering, while dealing with the inflationary pressures by moving away from the accommodative monetary stance of the last couple of years. Businesses too will need to play this balancing act, addressing supply chain disruptions and inflationary concerns through innovative approaches and at the same time, entrenching the demand recovery.

The global sports equipment market size was valued at USD 331.4 billion in 2021 and is expected to expand at a compound annual growth rate (CAGR) of 6.4% from 2022 to 2030. Continuous innovations and rapid technological advancements to keep pace with dynamic consumer preferences are driving the growth of the market. The increasing awareness about the benefits of a healthy lifestyle and the importance of sports and fitness activities, is further stimulating the demand for such equipment. The growing popularity of national and international events, such as the Soccer World Cup, Olympic Games, and Cricket World Cup, is also boosting the growth of this market for sports equipment. Rising cases of lifestyle-related health issues, such as stress and obesity, are pushing more people to engage in outdoor and fitness activities and this is fueling the demand for various sorts of fitness and sports equipment. The growing availability of popular international athletic

equipment brands is also contributing to product demand.

The Indian sports and fitness goods market reached a value of US\$ 1,934 Million in 2021 and is expected to reach US\$ 3,065 Million by 2027, exhibiting a CAGR of 8.5% during 2022-2027 (As per IMARC Report). Due to the rising prevalence of lifestyle diseases, individuals in India have started focusing on their wellbeing. As a result, there is a rise in the number of gyms and fitness centers, which in turn is boosting the sales of sports and fitness goods in the country. Social media is acting as another catalyst in driving the growth of the market. Furthermore, the market is increasingly being driven by innovations in manufacturing technologies and domestic as well as international brands are offering a variety of advanced equipment. The Indian sports and fitness goods market grew at a CAGR of 9% during 2014-2019. Awareness about Health & Fitness is ever growing across all age groups. The domestic market for Sports Goods and Health equipments etc. shall grow further post Covid-19.

Looking ahead to the future of the sporting goods industry, Cosco (India) Limited expects that competition in the global and domestic market will remain severe despite global increases in health consciousness and growth in the number of people participating in sports. Your Company expects to face this situation by harnessing the intrinsic strengths of its brands, innovation capabilities, strong distribution network and cost efficiency programs. Your Company is well positioned with its strong management team, technology interventions and robust processes to address changes and challenges that may emerge post COVID-19.

The Government has done its fair share to promote and encourage sports in India and to encourage maximum participation of citizens in sports. The great initiatives such as Indian Premier League (Cricket), Hockey India League, Indian Badminton League, Prokabbadi, Indian Super League (Football) and professionalization of Heritage sports events such as Goti, Gilli Danda, Lagori, Kilithatt, Gatta Gusthi are changing the old face of Indian sports. Over the last few years, the activity around the business of sports has been tremendous in these domestic leagues. Once, it was believed that only cricket will succeed in India. But the above mentioned initiatives have shown Indians, a world of sports beyond cricket. These initiatives prove that sports have a future in India as a business.

Govt. of India and State Governments are gradually increasing budgetary allocations for Sports and taking progressive policy initiatives to promote Sports and Sports Industry. 'Khelo India School Games' initiative has encouraged a shift in the way people thought about sports, especially at the grass-root level. Greater sports participation is critical to the future health and productivity of India's large population. This is driving demand for better sports systems, facilities and inputs.

There is ever growing awareness about Sports and Fitness among the urban as well as rural population, which will further boost this product segment in India. Many multinational organizations have in-house gymnasiums or sponsor their staff for sports and fitness activities and/or organize intra-office sports events. The company sees promising future of Sports and Health & fitness in India.

The past 2 years saw a drastic shift toward digital fitness, driven by physical-distancing and stay-at-home requirements. Digital fitness won't fully replace traditional sports and exercise but rather will enhance them in a "bionic" hybrid model. Digital workouts will continue to be a hot trend in future, particularly when they offer an engaging and inspiring element and allow remote exercising in a simulated community setting. There is digital shift with consumers and sporting goods industry players also need to shift to digital with direct connection to consumers, through digital communities, loyalty programs, and the like. In addition, to attract consumers back to stores, retail needs to find new purpose, new experiences, and new levels of convenience that cannot be offered digitally.

The ongoing rise in popularity of outdoor and home-based sports (including outdoor individual sports, home exercise, yoga, e-sports, and virtual races) are expected to remain popular. Demand for sporting goods and fitness goods is growing with India's burgeoning consumer class.

## Threats

1. Competition from Global Brands and their popularity amongst Indian consumers;
2. Economic uncertainty due to – Economic Slow down, Global inflation, negative spillovers from the war in Ukraine & post Covid-19 Pandemic;
3. Infringement of Company's Brand and Trade mark by grey market operators;
4. Skilled Manpower constraints & rising manpower costs;
5. The challenges of supply chains;
6. Infrastructure constraints for development of Sports;
7. The lack of 'industry' status for sport (sports infrastructure aside), the absence of clear guidelines for business operations and the unorganised nature of the sector affects investor confidence;

As per the Report of Micknsey & Co., the sporting-goods industry continues to evolve amid increased health awareness, shifting channel preferences, and rising sustainability concerns. Sporting-goods players need to adapt to five trends : the continuing growth of digital, an acceleration in sustainability, a closer connection between social media and commerce, the reshaping of distribution channels, and an imperative for new supply chain strategies. None of these trends is new, but over the past year they have become even more important, widening the gap between various industry players, with economic profits becoming increasingly concentrated among a small group of players. The implication is that some industry players must speedily adapt their business models.

## Internal control systems and their adequacy

The internal control systems of the Company provide for policies, guidelines, authorizations and approval procedures. Your Company has in place adequate internal control systems and procedures commensurate with size and nature of its business. All the transactions are properly authorized, recorded and reported to the Management. The Company has appointed Internal Auditors who conduct Internal Audit periodically. Audit Committee reviews Internal Audit Reports and adequacy of internal controls for ensuring checks and balances and that internal control systems are properly followed. The system of internal financial control ensures that all transactions are evaluated, authorized, recorded and reported accurately and that all assets are safeguarded and protected against losses that may arise from unauthorized use or disposition. Board has taken note of the observations of the Auditors for improvement in some areas of Internal Financial Controls and Scope of Internal Audit, which have been dealt in the main Directors Report under the head Independent Auditors' Report. Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2021-22. The company will further strengthen its Internal Financial Controls in areas observed by the Auditors.

The company is following the applicable Accounting Standards and has prepared financial statements for the year ended 31.03.2022 in accordance with Ind AS. The Company prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the Accounting Standards.

## Discussion on financial performance with respect to operational performance.

The relevant information is given in the Directors' Report under headings Financial Results, Company's Performance and State of Affairs for Financial Year 2021-22 read with the Financial Statements.

## Material developments in Human Resources/Industrial Relations

The Management believes in trust, transparency and teamwork. The thrust of the Company is to create responsive and market driven organization. The management believes that Human Resources is the driving force towards progress of the Company and regards it as its most valuable asset. The Company seeks to motivate and provide opportunities to its personnel to grow with the organization. Your company has a total strength of about 495 employees as on 31.03.2022. The relations with employees remained cordial and satisfactory during the year under review. Your Directors are thankful for the confidence reposed by all associated with the Company and their continued support.

## Key Financial Ratios

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key financial ratios.

Following are the key financial ratios:

Particulars	2021-22	2020-21
Debtors Turnover Ratio	6.04	5.57
Inventory Turnover Ratio	2.17	2.78
Interest Coverage Ratio	1.63	2.72
Current Ratio	2.09	2.11
Debt Equity Ratio	1.08	1.06
Operating Profit Margin (%)	5.28	6.77
Net Profit Margin (%)	1.41	3.06
Return on Net Worth	4.19	10.32

Reason for significant change:

- Decline in Operating Profit Margin and Net Profit Margin due to increase in Employee benefit expense, increase in Financial cost and increase in Depreciation & Amortization expenses ; lower operating margins in some products pursuant to market competition, Impact on sales revenue due to Covid-19 Pandemic resulting lockdown in the first quarter and restrictions of outdoor activities.
- Decline in Interest Coverage Ratio due to lower Net Profit Margin;
- Decline in Return on Net Worth due to lower Net Comprehensive Income pursuant to lower Net Profit Margin;

## CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report describing the Company's objectives, expectations or forecasts may be 'forward-looking statements' within the meaning of applicable laws and regulations. The actual results may differ materially from those expressed in the statements due to various factors viz. Covid-19 Pandemic, market conditions, input costs, changes in the regulations, economic development within / outside country etc.

**Annexure 'F'**  
**(Forming part of the Directors' Report)**

**CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES PURSUANT TO SECTION 135  
OF THE COMPANIES ACT, 2013**

- A brief outline of the company's CSR policy including the statement of intent reflecting the ethos of the company, broad areas of CSR interest and an overview of activities proposed to be undertaken.**

The CSR initiatives of the Company aim towards inclusive development of communities through a range of social interventions, enhancing skills and building social infrastructure to improve their livelihood. The guiding principle of Company CSR programs is "Impact through Empowerment". Empowerment results in enabling people to lead a better life. The Company works towards supporting projects in the areas of protection of Environmental sustainability and ecological balance; promoting education, and enhancing vocational skills.

- Composition of the CSR Committee.**  
Corporate Social Responsibility committee

Sl. No.	Name of the Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the FY 2021-22	Number of meetings	Designation
1	Ms. Nisha Paul	Chairperson/ Independent Director/Non Executive Director	2	2	Chairperson/ Independent Director/Non Executive Director
2	Shri Devinder Kumar Jain	Member/ Executive Director (MD)	2	2	Member/ Executive Director (MD)
3	Mr. Pankaj Jain	Member/ Executive Director (WTD)	2	2	Member/ Executive Director (WTD)
4	Mr. Neeraj Jain	Member / Executive Director (WTD)	2	2	Member / Executive Director (WTD)

**Web-link of CSR Committee**

[https://www.cosco.in/uploads/investors/composition\\_of\\_board\\_of\\_directors\\_and\\_committees\\_1649755363.pdf](https://www.cosco.in/uploads/investors/composition_of_board_of_directors_and_committees_1649755363.pdf)

- The web-link to the CSR Policy and CSR Projects.**  
[http://www.cosco.in/uploads/investors/corporate\\_social\\_responsibility\\_policy\\_1499423528.pdf](http://www.cosco.in/uploads/investors/corporate_social_responsibility_policy_1499423528.pdf)
- Provide the details of Impact assessment of CSR projects carried out in pursuance of Rule 8(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) - Not Applicable**
- Details of the amount available for set off in pursuance of Rule 7(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any - Not Applicable**
- Average Net Profit of the Company as per Section 135(5) of the Companies Act, 2013 :-**  
₹ 441.17 Lakhs

7.	Sr. No.	Particulars	Amount (₹ in Lakhs)
	(a)	Two percent of average net profit of the company as per Section 135(5) of the Companies Act, 2013 -	8.82
	(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years -	-
	(c)	Amount required to be set off for the financial year, if any -	-
	(d)	Total CSR obligation for the financial year (7a+7b-7c) -	8.82

8. (a) **CSR amount spent or unspent for the financial year:**

Total amount spent for the Financial Year (₹ in Lakhs)	Total amount transferred to Unspent CSR Account as per Section 135(6) of the Companies Act, 2013	Amount Unspent		
		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Companies Act, 2013		
		Name of the Fund	Amount (₹ in Lakhs)	Date of transfer
9.00	-	-	-	-

(b) **Details of CSR amount spent against ongoing projects for the financial year:**

1. Sr No.	2. Name of the Project	3. Items from list of activities in Schedule VII to the Act	4. Local Area (Yes/No)	5. Location of The Project State/District	6. Project Duration	7. Amount allocated for the project (Amount In Lakhs)	8. Amount spent in the current Financial year(Amount in Lakhs)	9. Amount transferred to Unspent CSR Account for the project as per Section 135(6) (Amount in Lakhs)	10. Mode of Implementation- (Direct) (Yes/No)	11. Amount spent: Direct/ through implementing agency Name CSR registration number
1	Construction & Development of Bird hospital which is a dedicated hospital for birds /fauna	(iv)	Address:- Local Area in the State of Delhi	Address:- Local Area in the State of Delhi	On -going Project	₹ 09.00 Lakhs (Part financing)	₹ 09.00 Lakhs	-	Indirect	Amount Spent through -  Mahattra Sadhvi Mirgavatiji Foundation (₹ 9.00 Lakhs) CSR registration number - CSR00020893

**(c) Details of CSR amount spent other than ongoing projects for the financial year:  
Not Applicable**

1. Sr No	2. Name of the Project	3. Items from list of activities in Schedule VII to the Act	4. Local Area (Yes/No)	5. Location of The Project State/District	6. Project Duration	7. Amount allocated for the project (Amount In Lakhs)	8. Amount spent in the current Financial year (Amount in Lakhs)	9. Amount transferred to Unspent CSR Account for the project as per Section 135(6) (Amount in Lakhs)	10. Mode of Implementation- (Direct) (Yes/No)	11. Amount spent: Direct/ through implementing agency Name/CSR Registration Number

**(d) Amount spent in Administrative Overheads:- Nil**

**(e) Amount spent on Impact Assessment, if applicable:- Nil/Not Applicable**

**(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 9.00 Lakhs**

**(g) Excess amount for set off, if any:-**

Sl. No	Particular	Amount ( ₹ in Lakhs)
(i)	Two percent of average net profit of the company as per Section 135(5) of the Companies Act, 2013	8.82
(ii)	Total amount spent for the Financial Year	9.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.18
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

**9. (a) Details of Unspent CSR amount for the preceding three financial years: Nil**

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): -**

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset wise details): Not Applicable**

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5) of the Companies Act, 2013: Not Applicable**

**For and on behalf of the CSR Committee**

**Devinder Kumar Jain**  
Managing Director and CEO  
DIN: 00191539

**Nisha Paul**  
Chairperson CSR Committee  
DIN :00325914

**Registered Office**  
**2/8, Roop Nagar**  
**Delhi - 110007**

**INDEPENDENT AUDITOR'S REPORT**  
**To the members of Cosco (India) Limited**  
**Report on the Audit of the Standalone Financial Statements**

### **Opinion**

We have audited the accompanying standalone financial statements of **Cosco India Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IndAS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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

### **Emphasis of matter:**

Note no 5.3 regarding recoverable amount of land compensation, Note No 9.2 regarding trade receivables, Note no. 19.3 regarding trade payable.

Our opinion is not qualified in respect of these matters.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

The Key Audit Matter	How the matter was addressed in our audit
<p><b>Trade Receivables/ Trade payables note no. 9.2 and 19.3</b> Trade receivables, trade payables and advances against import constitute significant amount and includes both indigenous and foreign vendors. Company has sent letters for confirmations which are awaited. The foreign trade receivables and advance against LC are subject to exchange fluctuation exposure.</p>	<p><b>Principal audit procedures performed</b> We have applied the following relevant audit procedures: Checking the subsequent realisations payments and adjustments in case of major vendors to ensure veracity of these accounts. Checking the recording, realisations, payments of monetary assets / liabilities at transaction / realisation and payment date and Reinstatement thereof at reporting date as per the relevant IndAS and recording of the exchange differences in the statement of profit and loss.</p>

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Secretarial audit report, Corporate Governance etc., but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. The information included in the Annual report i.e. Directors Report, Management Discussion and Analysis, Corporate Governance Report, etc. is expected to be made available to us after the date of this auditor's report.

In connection with our audit of the IndAS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the IndAS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

- 1 As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purpose our audit have been received from branches not visited by us.
  - (c) the balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and the statement of cash flow dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with IndAs specified under Section 133 of the Act.
  - (e) on the basis of the written representations received from the directors as on 31-3-2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure A**”; and
  - (g) with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act
  - (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company has disclosed the impact of pending litigations on its financial position in its 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 were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement

- v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year and therefore the requirement of compliance of Sec 123 of the Act are not applicable.

2 As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **V. P. Jain & Associates**  
Chartered Accountants  
Firm's registration number: 015260N

**Sarthak Madaan**  
Partner  
Membership number: 547131  
UDIN: 22547131ALZYOO2109

Place: New Delhi  
Date: 30.05.2022

## **Annexure - A to the Auditors' Report**

### **Report on the Internal Financial Controls under Clause (j) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Cosco (India) Limited** (“the Company”) as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, the Company generally has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"), however in the following areas the internal control needs to be further strengthened :

- SALES RETURN : Control regarding the accounting of sales return and timely reporting of the sales return by the stores department to the accounts department and maintenance of adequate records by the accounts department in respect of defective goods returned.
- PURCHASES : Timely recording of purchase invoices.
- INVENTORY : The controls regarding physical verification of work in progress needs to be strengthened and verification should be done by stopping the operations. The inventories should be monitored closely to keep inventories at reasonable levels to improve Inventory Turnover Ratio.
- TRADE RECEIVABLES : More proactive actions required to effectuate recovery of Old Receivables –more specifically which are outstanding for more than one year. Also, where there are inordinate delays in payments, such customers should be monitored selectively and effectively through MIS. Invariably some customers avail extended credit - Credit discipline need to be enforced in these cases.
- Fixed Assets Physical verification: needs improvement to see all items of fixed assets are physically verified in phase of 3 years.
- Contract Labour Management: Control regarding maintenance of dual records by time office and production department about labour supply through contractor.

*For V. P. Jain & Associates*  
*Chartered Accountants*  
Firm's registration number: 015260N

**Sarthak Madaan**  
*Partner*

Membership number: 547131  
UDIN: 22547131ALZYOO2109

Place: New Delhi  
Date: 30.05.2022

## Annexure - B to the Auditors' Report

### (Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (I) In respect of Company's Property, Plant and Equipment:
- (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment. The intangible assets of the company comprise of computer software for which company is maintaining proper records showing full particulars.
  - (b) The Company has a programme of verification of fixed assets to cover all the items in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the company and the nature of its activities. Pursuant to the said programme, certain property, plant and equipment's were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties in the name of erstwhile firm taken over by the company at the time of incorporation (other than those that have been taken on lease and the lease agreements are duly executed in favour of the Company) are held in the name of the Company. Original copy of title deeds have not been produced as the same are deposited as security with banks under loan agreement as confirmed by the management and certified by the Bank.
  - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year
  - (e) On the basis of the information and explanations given to us duly certified by the management and examination of records, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such physical verification of inventories when compared with books of account.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns and statements comprising (stock statements, book debt statements, and statements on ageing analysis of the debtors) filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company, of the respective quarters, except for the following:

For the quarter	Sanctioned amount to which the discrepancy relates * (Amount in ₹ Lakhs)	Nature of Current asset	Nature of Discrepancy	Amount as per Quarterly return and statements (Amount in ₹ lakhs)	As per Unaudited books of accounts (Amount in ₹ lakhs)	Difference (Amount in ₹ lakhs)	Remarks (Including subsequent rectification if any)
JUNE 2021	2800	Trade Receivable	Non current debtors are not considered.	2439.41	2505.06	(65.65)	Non Current debtors could not be considered due to inadvertence and no subsequent rectification was filed with bank.
SEPTEMBER 2021	2800	Inventory Stores and Spares	Clerical mistakes.	135.16	135.21	(0.05)	Clerical mistakes and no subsequent rectification was filed with bank
MARCH 2022	2800	Trade Receivable	Provision for doubtful debts are not considered.	2371.67	2253.88	117.79	Provision for doubtful debts were not considered due to inadvertence and no subsequent rectification was filed with bank.
MARCH 2022	2800	Inventory Raw material	Non moving items are valued at 5% which was wrongly added at full value.	345.05	298.45	46.60	While considering Non moving items of raw materials valued at 5%, ₹ 0.49 lakhs of store (valued at ₹ 9.80 lakhs) were wrongly considered due to inadvertence.

- (iii) (a) The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to Companies, firms, Limited liability partnership or any other parties during the year except an amount ₹ 40.84 Lakhs as loan given to the employees in the ordinary course of business. The Balance outstanding as at the end of the year are ₹ 26 lakhs.
- (b) Loan to employees of ₹ 40.84 Lakhs granted during the year are in the ordinary course of the business as per policy of the company and hence not prejudicial to the interest of the company.
- (c) Stipulations in respect of loans granted to the employees have been laid out and the repayments are being received accordingly.
- (d) The outstanding amount of loan to employee of ₹ 26 Lakhs is not overdue because payment in respect of the same is being recovered from the employees as per stipulations.
- (e) No loan granted by the Company during the year which has fallen due has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
- (f) During the year the company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion and according to the information and explanations given to us and certified by the company loans and investments made are in compliance of section 185 and 186 of the Act.
- (v) During the year the Company has not accepted any deposits (other than the deposits from the Directors, which are exempt under sub clause (viii) of clause (c) of rule 2 of The Companies (Acceptance of Deposits) Rules, 2014). There are no amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) It is certified by the management, that company is not required to maintain the cost records prescribed under section 148 (1) of the Companies Act 2013, since the same has not been specified by the Central Government. We have relied upon the assertions of the management.
- (vii) In respect of statutory dues:
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has generally been regular in depositing undisputed statutory dues, including Goods and Service Tax, provident Fund, Employees State insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of the aforesaid statutory dues in arrears as at 31.03.2022 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred to in sub clause (a) which have not been deposited as at 31.03.2022 on account of any dispute except following:

Name of Statute	Nature of dues	Amount (in ₹ lakhs)	Period	Forum where dispute is pending
The Income Tax Act, 1961	Income tax	23.00	Assessment year 2018-19	Commissioner of Income Tax (Appeals)
Uttar Pradesh Value Added Tax Act, 2008	Sales tax (VAT)	18.07	Financial year 2008-09	Supreme Court
Central Sales Tax Act/ Uttar Pradesh Value Added Tax Act, 2008	Central tax	16.63	Financial year 2008-09	Supreme Court

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) As certified by the Bank, the Company has not defaulted in the repayment of the Loans and interest thereon during the year in respect of credit facilities. The company has not taken any loan from any other lender other than the Directors / group company.
- (b) As certified by the Bank the Company has not been declared wilful defaulter.
- (c) According to the information and explanations given to us, Company has applied the term loans (Including working capital term loans) for the purposes for which the same have been obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have not been used for long-term purposes by the Company.
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary, Joint venture or associates.
- (f) The Company doesn't have any subsidiaries and hence reporting under clause 3(ix)(f) of the order regarding raising of loans by pledging the securities held in subsidiaries is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order regarding utilisation of the funds so raised is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly or optionally convertible) and hence reporting under clause (x)(b) of the Order regarding compliances under section 42 and section 62 of the Companies Act, 2013 are not applicable to the Company.
- (xi) (a) To the best of our knowledge and as certified by the management, no fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge and as certified by the Secretarial auditor, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented by the Management, there was no whistle blower complaints received by the Company during the year (and upto the date of this audit report).

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order regarding maintenance of required net owned fund to Deposit ratio and other requirements are not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business except the system needs to be substantially strengthened in terms of scope, coverage and compliances of earlier observations
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) As per the information available and to the best of our knowledge in our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and Hence, reporting under clause 3(xvi)(a), of the Order is not applicable.
- (b) The Company has not conducted any non-banking financial or housing, financing activities during the year and therefore the requirement of reporting regarding the certificate of registration is not applicable.
- (c) In our opinion, the company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India
- (d) As informed by the management, there are two core investment companies within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016)
- (xvii) The Company has not incurred cash losses during the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

- (b) The Company has spent the required amount u/s 135(5) towards corporate social responsibility by way of contribution to Mahatma Sadhvi Shree Mirgavatiji Foundation (registered for receiving CSR expenditure) for the construction of Bird hospital to support the mission of environmental sustainability and ecological balance and hence reporting under the clause 3(xx) (b) is not applicable.

*For V. P. Jain & Associates*  
*Chartered Accountants*  
Firm's registration number: 015260N

**Sarthak Madaan**  
*Partner*  
Membership number: 547131  
UDIN: 22547131ALZYOO2109

Place: New Delhi  
Date: 30.05.2022

**BALANCE SHEET AS AT MARCH, 2022**
**(All amounts in ₹ lakhs, unless otherwise stated)**

	NOTES	As At March 31, 2022	As At March 31, 2021
<b>I. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, plant and equipment	3A	591.17	586.33
(b) Other intangible assets	3B	2.06	4.90
(c) Capital work-in-progress	3C	2.37	29.51
(d) Right-of-use assets	4	167.25	158.82
(e) Financial assets			
(i) Trade receivables	9	45.66	65.64
(ii) Others	5	186.81	192.55
(f) Deferred tax assets (net)	6	65.73	52.94
(g) Other non-current assets	7	12.79	10.33
<b>(2) Current Assets</b>			
(a) Inventories	8	6,886.13	5,683.66
(b) Financial assets			
(i) Trade receivables	9	2,208.22	2,592.85
(ii) Loans	10	26.50	22.24
(iii) Cash & cash equivalents	11	293.54	226.05
(iv) Others	12	7.57	12.54
(c) Other current assets	13	477.32	848.12
<b>Total Assets</b>		<b>10,973.12</b>	<b>10,486.48</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity share capital	14	416.10	416.10
(b) Other equity	15	4,168.39	3,956.08
<b>(2) Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16A	1,438.00	1,438.00
(ii) Lease liability	17	121.68	126.75
(b) Provisions	18A	96.18	95.40
<b>Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16B	3,533.57	3,211.68
(ii) Trade payables	19		
(a) Micro, small and medium enterprises		168.55	91.44
(b) Other than Micro, small and medium enterprises		276.82	392.60
(iii) Lease liabilities	17	60.29	52.88
(iv) Others	20	482.80	520.81
(b) Other current liabilities	21	147.09	77.35
(c) Income tax liabilities (net)	22	-	44.06
(d) Provisions	18B	63.65	63.33
<b>Total Equity &amp; Liabilities</b>		<b>10,973.12</b>	<b>10,486.48</b>

Significant Accounting Policies

2

The accompanying notes 1 to 43 are integral part of the financial statements.

As per our report of even date.

**FOR V.P.JAIN & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
 FIRM'S REGISTRATION NO. : 015260N

**C.A.SARTHAK MADAAN**  
 Partner  
 Membership No.547131

**PLACE** : New Delhi  
**DATED** : May 30,2022

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**
**DEVINDER KUMAR JAIN**  
 Managing Director and CEO  
 DIN : 00191539

**PANKAJ JAIN**  
 Whole Time Director and CFO  
 DIN : 00190414

**NARINDER KUMAR JAIN**  
 Managing Director  
 DIN : 00195619

**SUDHA SINGH**  
 Company Secretary  
 Membership No.A33371

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2022**
**(All amounts in ₹ lakhs, unless otherwise stated)**

	<u>NOTES</u>	<u>Period Ended March 31, 2022</u>	<u>Period Ended March 31, 2021</u>
<b>I. Revenue from operations</b>	<b>23</b>	<b>13,611.82</b>	<b>14,799.28</b>
<b>II. Other Income</b>	<b>24</b>	<b>89.25</b>	<b>91.40</b>
<b>III. Total Income (I+II)</b>		<b><u>13,701.07</u></b>	<b><u>14,890.68</u></b>
<b>IV. Expenses :</b>			
(a) Cost of materials consumed	25	2,257.24	2,527.89
(b) Purchase of stock-in-trade	26	7,748.21	7,834.71
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(1,156.66)	(532.29)
(d) Employee benefit expense	28	1,534.60	1,396.08
(e) Financial costs	29	467.77	408.15
(f) Depreciation and amortisation expenses	30	165.54	152.06
(g) Other expenses	31	2,433.46	2,472.06
<b>IV. Total Expenses</b>		<b><u>13,450.16</u></b>	<b><u>14,258.66</u></b>
<b>V. Profit before tax</b>	<b>(III-IV)</b>	<b>250.91</b>	<b>632.02</b>
<b>VI. Tax expenses :</b>	<b>32</b>		
Current tax		78.35	178.02
Earlier year tax expenses		0.15	-
Deferred tax	6	(19.60)	3.20
<b>VII. Profit for the period</b>		<b><u>192.01</u></b>	<b><u>450.80</u></b>
<b>VIII. Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or (loss)		27.12	0.57
(ii) Income tax relating to items that will not be reclassified to profit or (loss)		(6.82)	(0.14)
		<b><u>20.30</u></b>	<b><u>0.43</u></b>
<b>Total Comprehensive Income for the period</b>		<b><u>212.31</u></b>	<b><u>451.23</u></b>
<b>Earnings per equity share</b> (face value ₹ 10)	<b>33</b>		
Basic		4.61	10.83
Diluted		4.61	10.83

 Significant accounting policies 2

The accompanying notes 1 to 43 are integral part of the financial statements.

As per our report of even date.

**FOR V.P.JAIN & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
 FIRM'S REGISTRATION NO. : 015260N

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**
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 Whole Time Director and CFO  
 DIN : 00190414

**SUDHA SINGH**  
 Company Secretary  
 Membership No.A33371

**PLACE** : New Delhi  
**DATED** : May 30,2022

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022**

(All amounts in ₹ lakhs, unless otherwise stated)

**A. Equity Share Capital:**

As at March 31, 2022

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
416.10	-	416.10	-	416.10

As at March 31, 2021

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
416.10	-	416.10	-	416.10

**B. Other Equity :**

As at March 31, 2022

Particulars	Reserve & Surplus			Other Comprehensive Income	Total
	General reserve	Securities Premium	Retained earnings	Measurement of defined benefit obligations	
<b>Balance at April 1, 2021</b>	1,125.17	312.30	2,528.56	(9.95)	3,956.08
Changes in accounting policy or prior period item	-	-	-	-	-
Restated balance at the beginning of the current reporting period	1,125.17	312.30	2,528.56	(9.95)	3,956.08
Profit / (loss) for the year			192.01		192.01
Other comprehensive income / (expense) [net of tax]				20.30	20.30
<b>Total comprehensive income for the year</b>				10.35	10.35
<b>Balance as at March 31, 2022</b>	1,125.17	312.30	2,720.57	10.35	4,168.39

As at March 31, 2021

Particulars	Reserve & Surplus			Other Comprehensive Income	Total
	General reserve	Securities Premium	Retained earnings	Measurement of defined benefit obligations	
<b>Balance at April 1, 2020</b>	1,125.17	312.30	2,077.76	(10.38)	3,504.85
Changes in accounting policy or prior period item	-	-	-	-	-
Restated balance at the beginning of the current reporting period	1,125.17	312.30	2,077.76	(10.38)	3,504.85
Profit/(Loss) for the year			450.80		450.80
Other comprehensive income / (expense) [net of tax]				0.43	0.43
<b>Total comprehensive income for the year</b>				(9.95)	(9.95)
<b>Balance as at March 31, 2021</b>	1,125.17	312.30	2,528.56	(9.95)	3,956.08

The accompanying notes 1 to 43 are integral part of the financial statements.

As per our report of even date

**FOR V.P.JAIN & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
 FIRM'S REGISTRATION NO. : 015260N

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

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 DIN : 00195619

**PLACE** : New Delhi  
**DATED** : May 30,2022

**PANKAJ JAIN**  
 Whole Time Director and CFO  
 DIN : 00190414

**SUDHA SINGH**  
 Company Secretary  
 Membership No.A33371

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022**

**(All amounts in ₹ lakhs, unless otherwise stated)**

	<b>For the Year Ended March 31, 2022</b>	<b>For the Year Ended March 31, 2021</b>
<b>A. Cash Flow from Operating Activities :</b>		
<b>Net Profit before tax</b>	<b>250.91</b>	<b>632.02</b>
<u>Adjustments to reconcile profit before tax and prior period items to cash provided by operations :</u>		
Depreciation and amortisation expenses	<b>165.54</b>	152.06
Bad & doubtful debt provided	<b>10.78</b>	67.54
Foreign exchange fluctuations	<b>(65.49)</b>	-
Finance cost	<b>467.78</b>	408.15
Insurance claim w/off	<b>24.40</b>	-
Other Comprehensive Income	<b>(27.12)</b>	-
Bad debts	<b>0.70</b>	44.11
Property, plant & equipment written off	<b>0.01</b>	0.03
Provision no longer required	<b>(0.91)</b>	(22.84)
Adjustment relating to prior period expenses	<b>-</b>	(21.96)
Interest income	<b>(0.16)</b>	(2.52)
Profit on sale of assets	<b>0.79</b>	(8.58)
<b>Operating profit before working capital changes</b>	<b>827.23</b>	1,248.01
<b>Movements in working capital :</b>		
(Increase) / decrease in trade receivables	<b>459.53</b>	218.44
(Increase) / decrease in inventories	<b>(1,226.88)</b>	(393.17)
(Increase) / decrease in loans and advances	<b>393.71</b>	(415.88)
Increase / (decrease) in trade payables	<b>(38.68)</b>	(380.97)
Increase / (decrease) in other current liabilities	<b>241.36</b>	212.80
<b>Cash generated from operations</b>	<b>656.27</b>	489.23
Income taxes paid	<b>138.46</b>	113.63
<b>Net cash (used in) / flow from operating activities</b>	<b>517.81</b>	375.60
<b>B. Cash flow from investing activities :</b>		
Payment to acquire property, plant and equipment including intangible assets and capital work in progress	<b>(73.45)</b>	(161.62)
Sale proceeds from property, plant and equipment	<b>0.60</b>	12.61
Interest received	<b>0.16</b>	2.52
<b>Net cash flow from / (used in) investing activities</b>	<b>(72.69)</b>	(146.49)
<b>C. Cash flow from financing activities :</b>		
Proceeds from borrowings	<b>140.50</b>	423.00
Interest expenses	<b>(467.78)</b>	(408.15)
Repayment of lease liabilities (ROU)	<b>(50.35)</b>	(42.01)
<b>Net Cash used in financing activities</b>	<b>(377.63)</b>	(27.16)
<b>Increase in cash and cash equivalents (A+B+C)</b>	<b>67.49</b>	201.95
<b>Cash and cash equivalents at the beginning of the year</b>	<b>226.05</b>	24.10
<b>Cash and cash equivalents at the end of the year</b>	<b>293.54</b>	226.05

As per our report of even date.

**FOR V.P.JAIN & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
 FIRM'S REGISTRATION NO. : 015260N

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 Membership No.A33371

**PLACE** : New Delhi  
**DATED** : May 30,2022

## **NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

### **1. CORPORATE INFORMATION**

Cosco (India) Limited (“the Company”) is a public limited company domiciled in India and incorporated under the provisions of the erstwhile Companies Act 1956. The registered office of the Company is located at 2/8 Roop Nagar, New Delhi, India. Its shares are listed on Bombay Stock Exchange (BSE). The Company is primarily engaged in the manufacture and sale of inflatable sports balls, Tennis balls etc. and trading of Health Equipment and Fitness Accessories and other sports goods. The company has one manufacturing location, situated in the state of Haryana at Gurugram. The company markets its products under the Brand name COSCO.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **2.1 Basis of preparation and compliance with Ind AS and schedule III of The Companies Act 2013**

- (i) The Company has prepared its financial statements in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 and the presentation requirements of Division II of Schedule III to the Companies Act, 2013.
- (ii) Transactions in currencies other than the Company’s functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Exchange differences on monetary items are recognized in the Statement of Profit and Loss in the period in which they arise.

Non- monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

#### **2.2 Current versus non-current classification**

All assets and Liabilities have been classified as current or non-current considering the operating cycle of 12 months.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively as per presentation requirement of Schedule III.

#### **2.3 Basis of measurement**

The IndAS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities, including derivative financial instruments which have been measured at fair value as described below and defined benefit plans which have been measured at actuarial valuation as required by relevant IndASs.

#### **2.4 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value for measurement and / or disclosed in these financial statement is determined on such a basis.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, which are described as follows: level I - III

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## **NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

### **Level I input**

Level I input are quoted price in active market for identical assets or liabilities that the entity can access at the measurement date, a quoted market in an active market provided the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exception. If an entity hold a position in a single assets or liabilities and the assets or liabilities is traded in an active market, the fair value of assets or liabilities held by the entity, even if the market normal daily trading volume is not sufficient to absorb the quantity held and placing orders to sell the position in a single transaction might affect the quoted price.

### **Level II input**

Level II input are input other than quoted market prices included within level I that are observable for the assets or liabilities either directly or indirectly.

Level II inputs include:

- quoted price for similarly assets or liabilities in active market.
- quoted price for identical or similar assets or liabilities in market that are not active.
- input other than quoted prices that are observable for the assets or liabilities, for example – interest rate and yield curve observable at commonly quoted interval.
- implied volatilise.
- credit spreads.
- input that are derived principally from or corroborated market data correlation or other means ('market corroborated inputs').

### **Level III input**

Level III inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## **2.5 Functional and presentation currency**

These Ind AS Financial Statements are prepared in Indian Rupee which is the Company's functional currency. All financial information presented in Rupees has been rounded to the nearest lacs.

## **NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

### **2.6 Property, Plant and Equipment**

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, attributable borrowing cost and any other directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the present value of the expected cost for the decommissioning and removing of an asset and restoring the site after its use, if the recognition criteria for a provision are met.

Subsequent expenditure related to an item of property, plant and equipment is added to its carrying amount only if it increases the future benefits from the existing assets beyond its previously assessed standard of performance.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statements of profit and loss in the period in which the costs are incurred.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

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

When an item of property, plant and equipment is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in statement of Profit & Loss.

#### **(ii) Capital work in progress**

Assets in the course of construction are transferred to capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised when the asset is available for use but incapable of operating at normal levels until the period of commissioning has been completed. Cost includes financing cost relating to borrowed funds attributable to construction.

#### **(iii) Depreciation**

The Company depreciates property, plant and equipment over the useful life as prescribed in schedule II of the Companies Act 2013 on the written down value method on pro rata basis (completed month of use) from the date of addition / up to the date the assets are sold / discarded, demolished or destroyed. Assets in the course of construction and freehold land are not depreciated.

The estimated useful lives of assets are as follows:

- Buildings 30-60 years
- Plant and equipments 15 years

## **NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

- Furniture and fixtures 10 years
- Vehicles 8 - 10 years
- Office equipments 3 - 6 years

### **2.7 Intangible Assets**

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. The Company currently does not have any intangible assets with indefinite useful life. Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. Computer software are amortised over a period of 3 years on written down value basis.

### **2.8 Impairment of Assets**

At the end of each reporting period, the Company assesses whether there is any indication that an assets or a group of assets (cash generating unit) may be impaired. If any such indication exists, the recoverable amount of the asset or cash generating unit is estimated in order to determine the extent of impairment loss (if any). When it is not possible to estimate the recoverable amount of the cash generating unit to which the assets belongs. Recoverable amount is the higher of fair value less cost of disposal and value in use. In assessing the value in use, the estimated future cash flow are discounted at their present value using the pre-tax discount rate that reflects current market assessment of time value of money and the risks specific to the assets for which the estimates of future cash flow have not been adjusted .

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of Profit & Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss recognized immediately in the statement of Profit & Loss.

### **2.9 Cash and Cash equivalent**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

## **NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet. Other bank balances include deposits with maturity less than twelve months but greater than three months and balances and deposits with banks that are restricted for withdrawal and usage.

### **2.10 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

#### **(i) Initial recognition and measurement:**

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets or issue of financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of profit and Loss.

#### **Effective interest method.**

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

#### **(i) Subsequent measurement of financial assets:**

##### **Financial assets at amortised cost:**

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

Financial assets are measured at 'Fair value through other comprehensive income' (FVOCI) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## **NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

For purposes of subsequent measurement, financial assets are classified in four categories and measured as under:

- (a) Debt instruments at amortised cost.
  - (b) Debt instruments at fair value through other comprehensive income (FVTOCI).
  - (c) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL).
  - (d) Equity instruments measured at fair value through other comprehensive income (FVTOCI).
- (a) A 'debt instrument' is measured at the amortised cost, if both the following conditions are met:
- (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and  
Contractual terms of the asset gives rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding
- (b) 'Debt instrument' is classified as FVTOCI, if both of the following criteria are met:
- (i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
  - (ii) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Company recognizes interest income, impairment losses and foreign exchange gain or loss in the profit or loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

- (c) FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss.
- (d) All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss.

## **NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

### **(iii) Derecognition of financial assets :**

The Company derecognises a financial asset when and only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in the Statement of Profit and Loss if such gain or loss would have otherwise been recognized in the Statement of Profit and loss on disposal of that financial asset.

### **(iv) Impairment of financial assets:**

The Company applies the expected credit loss model for recognizing impairment loss on financial assets carried at amortised cost and FVOCI debt instruments. In respect of trade receivables only, the Company applies the simplified approach permitted by IndAS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The application of simplified approach does not require the Company to track changes in credit risk.

### **(v) Subsequent measurement of financial liabilities:**

All the financial liabilities are subsequently measured at amortized cost using the effective interest rate method or at fair value through profit and loss. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

### **(vi) De-recognition of financial liabilities**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

## **2.11 Provisions and Contingent liabilities.**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market

## **NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the standalone IndAS financial statements.

### **2.12 Inventories**

Inventories are valued at the lower of cost and net realisable value except scrap and by products which are valued at net realisable value. Non moving raw materials, store & spares and traded goods are valued at scrap value i.e. 5% of cost.

Costs comprises as follow:

- (i) Raw materials: Cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- (ii) Finished goods: Cost of conversion. The cost of conversion has been worked out for all the products on the basis of weighted average cost derived by preparing the manufacturing account wherein 50% of the fixed production overheads are allocated to the units of production having regard to capacity utilisation which is reviewed after three years and accordingly allocation of overheads is made. In the case of Synthetic Panel Sets the net realisable value (NRV) of synthetic balls is taken and from the NRV, the cost of conversion of panel sets to balls is reduced to arrive at the cost. Synthetic panel sets are considered in finished goods valuation due to the fact that the same is tradable in the market.
- (iii) Work-in-progress: Work-in-progress is valued at direct cost plus cost of conversion at the relevant stage (weighted average cost). The indirect expenses have been allocated on the proportionate basis of raw material lying in work-in-progress to total raw material consumed.
- (iv) For trading goods cost means direct cost incurred to bring inventory at intended place.

Net realisable value:

- (i) Net realisable value is the list selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.
- (ii) The net realisable value of the finished goods in respect of export surplus balls has been determined consistently as under:  
Stock lying for less than two years: List price  
Stock lying more than two years but less than five years: List price less 25%  
Stock lying more than five years: List price less 40%
- (iii) The net realisable value of non moving finished goods (other than export surplus) is determined as estimated by the management which is less than the list price

## **NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

### **2.13 Employment Benefits**

Company follows IndAS-19 as detailed below:-

- (a) Short-term benefits are recognized as expense at the undiscounted amount in the Statement of Profit & Loss of the year in which the related service is rendered.
- (b) Company provides bonus to eligible employees as per Bonus Act 2015 and accordingly liability is provided on ad-hoc basis at the year end pending agreement with the labour. The differential amount on account of actual liability is adjusted in the subsequent year.

Defined contribution plans:

- (c) Provident Fund:

The eligible employees of the company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both employees and the company make monthly contributions at a specified percentage of the covered employee's salary. The contributions as specified under the law are paid to the respective Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension Scheme.

- (d) The Company has an obligation towards gratuity liability in respect of Employees who have completed five years of continuous service (other than directors in the whole time employment of the company) below 60 years of age which is fully covered under the Group Gratuity Scheme of Life Insurance Corporation of India. Amount is paid to the approved Gratuity Trust under Income Tax Act (charged in statement of profit and Loss) which in turn contributes to Life Insurance Corporation of India which administers the plan and determines the contributions required to be paid by the trust. In respect of directors, gratuity is provided during the year on actuarial valuation basis. The plan provides for a lump sum payment to employees at retirement/determination of service on the basis of 15 days terminal salary for each completed year of service subject to maximum amount of Rs. 20 Lacs.

Company's liability towards gratuity and compensated absences is determined by using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement gains and losses of the net defined benefit liability / (asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment costs. The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value plan assets. Similarly, excess of Plan assets over present value of defined benefit obligation is shown as a current asset.

Defined benefit costs are categorized as follows

- Service cost (including current service cost, past service cost as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement

## **NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

### **COMPENSATED ABSENCES**

Accumulated compensated absences which are expected to be availed or encashed within twelve months from the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlements as at the year end.

Accumulated compensated absences which are expected to be availed or encashed beyond twelve months from the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial loss/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

### **2.14 Revenue Recognition**

Revenue is recognized as per Ind AS 115 "Revenue from contract with customers". Revenue from contract with customers is recognized when control of promised goods and services are transferred to customers at an amount that reflects the consideration which the company expects to receive in exchange for those goods.

Revenue from contract with customers is recognized when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations may be satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognized as per the terms of relevant contractual agreements / arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.

Revenue is recognized based on the price specified in the contract, net of the estimated trade discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

- (a) Interest Income is recorded on time proportion basis by reference to the principal outstanding using the applicable effective rate of Interest (EIR)
- (b) Export entitlements i.e. duty free scrip, duty drawback and remission of duties and taxes are accounted for on the basis of export of goods on FOB value determined for custom purpose.

## **NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

### **2.15 Taxation**

#### **Current income tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognized for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

#### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except when it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognised for all deductible temporary differences, unused tax losses including unabsorbed depreciation. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## **NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

### **Goods and Service Tax (GST) paid on acquisition of assets or on incurring expenses.**

Expenses and assets are recognised excluding amount of GST paid, except:

When the tax incurred on a purchase of assets or on incurring expenses / receipt of services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

### **2.16 Borrowing Costs**

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Premium in the form of fees paid on refinancing of loans are accounted for as an expense over the life of the loan using effective interest rate method. All other borrowing costs are recognised in the Statement of profit and loss in the period in which they are incurred.

### **2.17 Foreign Currency Transactions**

Foreign Currency Transactions involving export sales / import purchases are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the customs rate on the date of transaction. Monetary assets and liabilities unsettled at the year end, are converted at the year end rate and difference if any between the book balance and converted amount are transferred to the exchange fluctuation account. The difference between the rates recorded and the rates on the date of actual realization/ payment is transferred to difference in exchange fluctuation account. The premium or discount arising at the inception of a forward exchange contract is amortized as expenses / income over the life of the contract. Any profit or loss arising on cancellation or renewal of such a forward contract is recognized as income / expenses for the period. Non-monetary items that are measured in historical cost in a foreign currency are not retranslated.

### **2.18 Earning per shares**

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by taking into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, for calculating the basic earnings per share by and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

## **NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

### **2.19 Segment Reporting**

As per IndAS-108 "Operating Segments" the company has identified two operating segments viz. Own Manufactured Products and traded Goods.

#### **(a) Assets and liabilities:**

All Segment assets and liabilities are directly attributable to the segment. Segment assets include all operating assets used by the segment and consist principally of PPE, inventories, trade receivable, financial assets and operating cash and bank balances. Segment assets and liabilities do not include inter-corporate deposits, share capital, reserves and surplus, borrowings, and income tax (both current and deferred).

#### **(b) Segment revenue and expenses:**

Segment revenue and expenses are directly attributable to segment. It does not include interest income on inter-corporate deposits, interest expense and income tax.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

### **2.20 Cash Flow Statement**

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information

### **2.21 Leases**

The Company's lease asset classes consist of leases for buildings and Plant and equipment. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. As a lessee, the Company determines the lease term as the non cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a

## **NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term.

ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the span of the lease term and useful life of the underlying asset.

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

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re measured with a corresponding adjustment to the related ROU asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### **2.22 Use of estimates and judgments**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which is known / materialised.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are in respect of useful lives and impairment of Property, plant and equipment, commitments and contingencies, retirement and other employees benefits, Taxes on income, net realizable values of slow / non-moving inventories and measurement of lease liability and right to use assets included in the respective notes.

## **NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

### **2.23 Recent pronouncements;**

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

#### **IndAS 103 – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of IndAS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

#### **IndAS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

#### **IndAS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

#### **IndAS 109 – Annual Improvements to IndAS (2021)**

The amendment clarifies the treatment of any cost or fees incurred by an entity in the process of de-recognition of financial liability in case of repurchase of the debt instrument by the issuer. The Company does not expect the amendment to have any significant impact in its financial statements.

#### **IndAS 106 – Annual Improvements to IndAS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**  
**3(A) PROPERTY, PLANT AND EQUIPMENT**

(All amounts in ₹ lakhs, unless otherwise stated)

Sr. No.	Particulars	Gross Block of Assets (at cost or deemed cost)			Accumulated Depreciation			Net Block Balance As At March 31, 2022
		Balance As At April 1, 2021	Additions during the year	Disposals during the year	Balance As At March 31, 2022	Depreciation during the year	Disposals during the year	
1.	Freehold Land [refer note no. 3A(i)]	3.25			3.25			3.25
2.	Buildings - Factory	50.53	3.53		54.06	2.66	21.42	32.64
3.	Buildings - Other than Factory	285.62			285.62	11.01	70.19	215.43
4.	Temporary Shed	10.37			10.37	0.09	9.94	0.43
5.	Plant and Equipments	292.99	45.11		338.10	32.23	138.00	200.10
6.	Laboratory Equipment	7.29			7.29	0.35	4.58	2.71
7.	Electric Machinery	45.88	35.76	1.63	80.01	9.72	35.11	44.90
8.	Office Equipments	23.54	4.53		28.07	5.34	17.24	10.83
9.	Computer	22.12	8.66	0.11	30.67	4.57	20.31	10.36
10.	Furniture and Fixtures	17.96	2.98		20.94	2.02	11.52	9.42
11.	Vehicles	166.56			166.56	26.35	105.46	61.10
		926.11	100.57	1.74	1,024.94	94.34	433.77	591.17

**Previous Year**

Sr. No.	Particulars	Gross Block of Assets (at cost or deemed cost)			Accumulated Depreciation			Net Block Balance As At March 31, 2021
		Balance As At April 1, 2020	Additions during the year	Disposals during the year	Balance As At March 31, 2021	Depreciation during the year	Disposals during the year	
1.	Freehold Land	3.25			3.25			3.25
2.	Buildings - Factory	50.53			50.53	2.93	18.76	31.77
3.	Buildings - Other than Factory	271.82	13.80		285.62	10.97	59.18	226.44
4.	Temporary Shed	10.37			10.37	0.54	9.85	0.52
5.	Plant and Equipments	269.42	52.26	28.69	292.99	30.94	105.77	187.22
6.	Laboratory Equipment	7.33	0.28	0.32	7.29	0.41	4.23	3.06
7.	Electric Machinery	45.34	0.54		45.88	5.55	25.64	20.24
8.	Office Equipments	17.69	5.93	0.08	23.54	6.24	11.90	11.64
9.	Computer	16.48	5.64		22.12	3.71	15.84	6.28
10.	Furniture and Fixtures	17.13	0.83		17.96	2.28	9.50	8.46
11.	Vehicles	152.11	60.09	45.64	166.56	32.76	79.11	87.45
		861.47	139.37	74.73	926.11	96.33	339.78	586.33

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

3A(i) For details of Property, plant and equipment charged as security of borrowings, refer note 16.2.

3A(ii) Title deeds of all immovable properties are held in the name of Company. However, these are lodged with the lender bank.

3A(iii) The possession of land, belonging to the company, bearing Khasra No.420, total area measuring 1 bigha, 19 biswas and 3 biswas situated at village Gurgaon, is in dispute and company has filed a suit for getting possession of the same. The next hearing date is on 25th July, 2022.

### 3(B) OTHER INTANGIBLE ASSETS

(All amounts in ₹ lakhs, unless otherwise stated)

Sr. No.	Particulars	Gross Block of Assets (at cost or deemed cost)			Accumulated Depreciation			Net Block Balance	
		Balance As At April 1, 2021	Additions during the year	Disposals during the year	Balance As At March 31, 2022	Depreciation during the year	Disposals during the year	Balance As At March 31, 2022	As At March 31, 2022
1	Computer Software	20.98	-	-	20.98	2.84	-	18.92	2.06
		20.98			20.98	2.84		18.92	2.06

### Previous Reporting Period

Sr. No.	Particulars	Gross Block of Assets (at cost or deemed cost)			Accumulated Depreciation			Net Block Balance	
		Balance As At April 1, 2020	Additions during the year	Disposals during the year	Balance As At March 31, 2021	Depreciation during the year	Disposals during the year	Balance As At March 31, 2021	As At March 31, 2021
1	Computer Software	18.26	2.72	-	20.98	4.72	-	16.08	4.90
		18.26	2.72		20.98	4.72		16.08	4.90

### 3(C) CAPITAL WORK IN PROGRESS

As at March 31, 2022	2.37
As at March 31, 2021	29.51

### 3C(i) Capital work in progress Ageing schedule

Particulars	As on March 31, 2022				Total
	<1 year	1-2 year	2-3 years	>3 years	
Projects in progress	2.37	-	-	-	2.37
Projects temporarily suspended	-	-	-	-	-
Particulars	As on March 31, 2021				Total
Projects in progress	29.51	-	-	-	29.51
Projects temporarily suspended	-	-	-	-	-

There are no projects overdue as on date or has exceeded its cost compared to its original plan as at 31st March, 2022.

3C(ii) The estimated amount of the contracts remaining to be executed on capital account is ₹ 10 lakhs (previous year ₹ 3.5 lakhs).

### 4. RIGHT OF USE ASSETS

Balance as at beginning of the year	158.82	As At March 31, 2021	209.84
(Leases) (in respect of building and plant & equipment)			
Addition during the year	76.79		-
Deletion during the year	-		-
Amortisation during the year	68.36		51.02
Balance as at the end of the year	<u>167.25</u>		<u>158.82</u>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

**(All amounts in ₹ lakhs, unless otherwise stated)**

	As At March 31, 2022	As At March 31, 2021
<b>5. FINANCIAL ASSETS - OTHERS</b>		
National savings certificate (refer note no.5.1)	0.05	0.05
Security deposits (refer note no.5.2)	61.75	67.49
Compensation claim receivable (refer note no.5.3)	<u>125.01</u>	<u>125.01</u>
	<u>186.81</u>	<u>192.55</u>

- 5.1** The National saving certificate of ₹ 0.05 lakhs shown as investment is in the name of a director of the company and the same is pledged with the Sales Tax Authorities, Mumbai.
- 5.2** Security Deposits Includes ₹ 35.44 lakhs (previous year ₹ 41.17 lakhs) paid as Security of Freight for import consignments.
- 5.3** Represent enhanced Compensation for land ₹ 2.88 lakhs (previous year ₹ 2.88 lakhs), for structure ₹ 51.32 lakhs (previous year ₹ 51.32 lakhs) and interest receivable thereon ₹ 70.81 lakhs (previous year ₹ 70.81 lakhs) which were awarded by the Court in respect of acquisition of land of about 325 sq. yards of factory land and construction thereon by PWD (B&R), Gurgaon. The company has filed a case of recovery of the same before Addl. Session Judge, Gurugram, which is pending.

### 6. Deferred Tax Asset / (Liability) (net)

Particulars	For the year ended March 31, 2022			As at March 31, 2022
	As at April 1, 2021	Recognised in		
		Profit & Loss	OCI	
<b>Tax effect of items constituting deferred tax assets</b>				
Property, plant and equipment	(11.14)	11.55		0.41
Trade receivables	27.16	2.49		29.65
Lease liability	45.22	0.67		45.89
Provisions	39.94	7.02	(6.82)	40.14
<b>Total (A)</b>	101.18	21.73	(6.82)	116.09
<b>Tax effect of items constituting deferred tax liability</b>				
Leasehold assets - Right of use	39.97	2.12		42.09
Non current assets - financial Assets - others	8.27	-		8.27
<b>Total (B)</b>	48.24	2.12	-	50.36
<b>Deferred Tax Asset (net)</b>	52.94	19.61	(6.82)	65.73

Particulars	For the year ended March 31, 2021			As at March 31, 2021
	As at April 1, 2020	Recognised in		
		Profit & Loss	OCI	
<b>Tax effect of items constituting deferred tax assets</b>				
Trade receivables	17.59	9.57		27.16
Lease liability	61.66	(16.44)		45.22
Provisions	43.31	(3.23)	(0.14)	39.94
<b>Total (A)</b>	122.56	(10.10)	(0.14)	112.32
<b>Tax effect of items constituting deferred tax liability</b>				
Property, plant and equipment	(1.39)	12.53		11.14
Leasehold assets - Right of use	58.38	(18.41)		39.97
Non current assets - financial Assets - others	23.49	(15.22)		8.27
Other financial liabilities	(12.61)	12.61		-
Other current liabilities	(1.58)	1.58		-
<b>Total (B)</b>	66.29	(6.91)	-	59.38
<b>Deferred Tax Asset (net)</b>	56.27	(3.19)	(0.14)	52.94

### 7. OTHER NON-CURRENT ASSETS

Pre payment expenses	1.46	0.81
Advance to suppliers	3.99	-
Capital advance	1.55	2.77
Deposit with the Govt. Dept.(refer note no. 7.1)	5.78	5.78
Income Tax refund for earlier year (AY 2017-18)	0.97	0.97
Advance for immovable properties (refer note no.7.2)	<u>126.24</u>	<u>126.24</u>
	<u>139.99</u>	<u>136.57</u>
Less : Provision for doubtful advances for immovable property and supplier (refer note no.7.2)	<u>127.20</u>	<u>126.24</u>
	<u>12.79</u>	<u>10.33</u>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

**(All amounts in ₹ lakhs, unless otherwise stated)**

7.1 Represent deposit of 20% against demand raised by IT Department for AY 2018-19. The company has filed an appeal against the same which is pending (refer Note no.36).

7.2 It represents amount given to a Builder / Developer Company in earlier years. The Builder / Developer Company to whom the amount was advanced, has been acknowledging the advance and has also been assuring to transfer suitable properties of equal value and get the documents of title executed in favour of company. However till date, the Builder / Developer Company has neither transferred any property and / or executed title deed(s) in favour of company nor repaid any amount in spite of the assurances given from time to time. As a matter of abundant caution the amount has already been fully provided in the year ended 31.03.2013.

	<b>As At</b>	<b>As At</b>
	<b><u>March 31, 2022</u></b>	<b><u>March 31, 2021</u></b>
<b>8. INVENTORIES</b>		
(a) Raw material	298.45	267.81
(b) Work in progress	677.52	472.40
(c) Finished goods	1,077.69	1,300.02
(d) Stock-in-trade	4,698.72	3,524.85
(e) Stores	133.75	118.58
	<b><u>6,886.13</u></b>	<b><u>5,683.66</u></b>

8.1 Refer note no.2.12 of Significant Accounting Policies, regarding mode of valuation of inventories.

8.2 Non-moving items included in raw materials valued at ₹ 1.96 lakhs (previous year ₹ 1.35 lakhs), in store valued at ₹ 0.49 lakhs (previous year ₹ 0.51 lacs) and stock-in-trade valued at ₹ 0.65 lakhs (previous year ₹ 5.03 lakhs) which are valued at scrap value.

8.3 Above inventories include Goods in Transit as detailed below :

Raw Materials	1.62	2.00
Stores	3.12	1.04

8.4 Stock in trade includes spare parts of Health and Fitness equipment of ₹ 4.83 lakhs (previous year ₹ 5.73 lakhs) valued at scrap value and non moving stock of ₹ 68.95 lakhs (previous year ₹ 126.50 lakhs) valued at estimated realisable value determined by the management.

8.5 Hypothecated in favour of bank towards working capital borrowing (refer note 16.2).

### 9. TRADE RECEIVABLES

Unsecured :		
Considered good	2,208.22	2,592.85
Increase in significant credit risk	45.66	65.64
Credit impaired	117.79	107.92
	<b><u>2,371.67</u></b>	<b><u>2,766.41</u></b>
Less : Provision for expected credit loss	117.79	107.92
	<b><u>2,253.88</u></b>	<b><u>2,658.49</u></b>

#### Net Trade receivables

Considered good	2,208.22	2,592.85
Increase in significant credit risk	45.66	65.64
Credit impaired	117.79	107.92
<b>Current</b>	<b>2,208.22</b>	<b>2,592.85</b>
<b>Non-Current</b>	<b>45.66</b>	<b>65.64</b>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ lakhs, unless otherwise stated)

Ageing of Trade Receivables Particulars	As on March 31, 2022					Total
	Outstanding from the date of transaction					
	> 6 months	>6 months <1 year	1-2 years	2-3 years	More than 3 years	
Unsecured and Undisputed -						
Considered good	2,198.48	9.74				2,208.22
Increase in significant credit risk			26.13	7.57	11.96	45.66
Credit impaired			3.67		114.12	117.79
Provision for expected credit loss			3.67		114.12	117.79
Net Trade Receivables -						
Considered good	2,198.48	9.74				2,208.22
Increase in significant credit risk			26.13	7.57	11.96	45.66
- Credit impaired	-	-	-	-	-	-

Ageing of Trade Receivables Particulars	As on March 31, 2021					Total
	Outstanding from the date of transaction					
	> 6 months	>6 months <1 year	1-2 years	2-3 years	More than 3 years	
Unsecured and Undisputed -						
Considered good	2,583.26	9.58				2,592.84
Increase in significant credit risk		10.66	15.36	34.69	4.93	65.64
Credit impaired				2.08	105.84	107.92
Provision for expected credit loss				2.08	105.84	107.92
Net Trade Receivables -						
Considered good	2,583.26	9.58				2,592.84
Increase in significant credit risk		10.66	15.36	34.69	4.93	65.64
- Credit impaired	-	-	-	-	-	-

**9.1** No debts are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Also, no debts are due from firms or private companies, in which any director is a partner or a director or a member.

**9.2** The Company has sent letters to Trade payables / Trade receivables for confirmations. However the same are awaited. Adjustment, if any, will be made on the receipt of the confirmations. In the opinion of the management, these balances are good for payment and recovery. Trade receivables more than 1 year amounting to ₹ 45.65 lakhs are considered good by the management. The Company makes provision for Expected Credit loss in respect of the outstanding amounts for more than 3 years instead on the basis prescribed under IndAS 109 as in the opinion of the management, it is not significant.

**9.3** Trade receivables are hypothecated in favour of bank against working capital borrowings (refer note 16.2).

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

**(All amounts in ₹ lakhs, unless otherwise stated)**

	<b>As At March 31, 2022</b>	<b>As At March 31, 2021</b>
<b>10. LOANS</b>		
<u>Unsecured - Considered Good</u>		
Loan to employees	26.50	22.24
	<u>26.50</u>	<u>22.24</u>
<b>Current</b>	<b>26.50</b>	<b>22.24</b>
<b>Non-Current</b>	<b>-</b>	<b>-</b>
<b>11. CASH &amp; CASH EQUIVALENTS</b>		
Balances with banks (on current A/C) (refer footnote 11.1)	287.90	219.77
Cash on hand	5.64	6.28
	<u>293.54</u>	<u>226.05</u>
<b>11.1</b> Includes Unpaid dividend bank account of 2015-16 omitted to be disclosed along with the Liabilities (also refer footnote 21.1).		
<b>12. OTHER FINANCIAL ASSETS</b>		
Duty drawback claim refundable	1.37	1.92
Product focus scheme receivable	4.62	4.62
Remission of duty & taxes receivable	1.58	-
Fixed deposit with bank	-	6.00
	<u>7.57</u>	<u>12.54</u>
<b>13. OTHER CURRENT ASSETS</b>		
Input tax receivable (refer note no.13.1)	27.53	78.67
Advance against import	311.58	657.46
Pre-payment expenses	40.32	36.18
Advance to suppliers	20.92	15.40
Others (refer note no.13.3)	34.26	25.73
Advance Tax / TDS / TCS net of provision for tax	7.51	-
Income tax refund for earlier year	35.20	34.68
	<u>477.32</u>	<u>848.12</u>
<b>13.1</b> Current year figure includes GST input receivable of ₹ 27.53 lakhs which is under reconciliation with Electronic Credit Ledger balance of ₹ 11.18 lakhs.		
<b>13.2</b> Includes Advances recoverable ₹ 1.32 lakhs (previous year ₹ Nil) from directors on account of TDS and Advance against bonus ₹ 15.12 lakhs (previous year ₹ 12.03 lakhs), Advance against salary ₹ 8.16 lakhs (previous year ₹ 8.11 lakhs) and advance against capital account of ₹ 3.55 lakhs (previous year ₹ 2.77 lakhs).		
<b>13.3</b> Represents Income Tax refund for the AY 2019-20, 2020-21 and AY 2021-22		
<b>14. SHARE CAPITAL</b>		
<b><u>AUTHORISED</u></b>		
100,00,000 (previous year 100,00,000) Equity shares of ₹10 each	1,000.00	1,000.00
<b><u>ISSUED, SUBSCRIBED AND FULLY PAID UP</u></b>		
41,61,000 (previous year 41,61,000) Equity shares of ₹10 each	416.10	416.10
<b>14.1 Term/right attached with equity shares:</b>		
The Company has only one class of equity shares having a par value of Re. 10 per share. Each holder of equity share is eligible for one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
<b>14.2 Reconciliation of the shares outstanding at the beginning and at the end of the reporting year</b>		
<b>Equity shares</b>	<b><u>Numbers</u></b>	
<b>Issued, subscribed and fully paid up</b>		
<b>As at March 31, 2020</b>	<b>41,61,000</b>	<b>416.10</b>
Increase/(decrease) during the year	-	-
<b>As at March 31, 2021</b>	<b>41,61,000</b>	<b>416.10</b>
Increase/(decrease) during the year	-	-
<b>As at March 31, 2022</b>	<b>41,61,000</b>	<b>416.10</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

(All amounts in ₹ lakhs, unless otherwise stated)

**14.3 Shareholder holding more than 5% Shares in the company :**

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No.	%	No.	%
Navendu Investment Co. Pvt. Ltd.	14,74,000	35.42	14,74,000	35.42
Pankaj Jain	3,14,140	7.55	3,14,140	7.55

**14.4 Details of shares held by Promoters and Promoter Groups in the Company**

Promoters and Promoter Groups Name	March 31, 2022		March 31, 2021		% change during the year
	No. of Shares	% holding	No. of Shares	% holding	
<b>Promoter</b>					
Devinder Kumar Jain	1,46,820	3.53%	1,46,820	3.53%	0%
Narinder Kumar Jain	1,53,707	3.69%	1,53,707	3.69%	0%
Arun Jain	84,400	2.03%	84,400	2.03%	0%
Manish Jain	91,400	2.20%	91,400	2.20%	0%
Pankaj Jain	3,14,140	7.55%	3,14,140	7.55%	0%
Neeraj Jain	98,566	2.37%	98,566	2.37%	0%
Arun Jain [Karta of Arun Jain (HUF)]	500	0.01%	500	0.01%	0%
Manish Jain [Karta of Manish Jain (HUF)]	12,700	0.31%	12,700	0.31%	0%
Pankaj Jain [Karta of Pankaj Jain (HUF)]	17,700	0.43%	17,700	0.43%	0%
Neeraj Jain [Karta of Neeraj Jain (HUF)]	12,500	0.30%	12,500	0.30%	0%
Prabha Jain	1,04,500	2.51%	1,04,500	2.51%	0%
Amita Jain	1,11,467	2.68%	1,11,467	2.68%	0%
Indu Jain	57,100	1.37%	57,100	1.37%	0%
Nidhi Jain	63,200	1.52%	63,200	1.52%	0%
Shilpa Jain	1,07,600	2.59%	1,07,600	2.59%	0%
Payal Jain	63,200	1.52%	63,200	1.52%	0%
Aakash Jain	25,300	0.61%	25,300	0.61%	0%
<b>Promoter Group</b>					
Navendu Investment Co. Pvt. Ltd	14,74,000	35.42%	14,74,000	35.42%	0%
Vijay Vallabh Securities Limited	1,81,000	4.35%	1,81,000	4.35%	0%
<b>Total</b>	<b>31,19,800</b>	<b>74.98%</b>	<b>31,19,800</b>	<b>74.98%</b>	

**15. OTHER EQUITY**

	As At March 31, 2022	As At March 31, 2021
Securities premium	312.30	312.30
General reserve	1,125.17	1,125.17
Retained earning	2,720.57	2,528.56
Other comprehensive income	10.35	(9.95)
Balance as at the end of reporting period	<u>4,168.39</u>	<u>3,956.08</u>

**15.1 Securities Premium**

Where the Company issues shares at premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to "Securities Premium account". The company may apply the premium inter alia towards issue of fully paid-up bonus shares and purchase its own shares or other securities under section 68 of the Act

**15.2 General Reserve**

General reserve is created out of profit earned by the company by way of transfer from surplus in the Statement of Profit & Loss. There are no restrictions on utilisation of the reserve except in case of declaration of dividend out of Reserves as prescribed under The Companies ( Declaration and Payment of Dividend ) Rules, 2014 read with Section 123 of The Companies Act 2013.

**15.3 The disaggregation of changes in each type of reserve, retained earnings and other comprehensive income are disclosed in Statement of Changes in Equity.**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ lakhs, unless otherwise stated)

	As At <u>March 31, 2022</u>	As At <u>March 31, 2021</u>
<b>16. BORROWINGS</b>		
<b>A. NON-CURRENT</b>		
(Refer note no.16.1)		
<b><u>Indian Rupee loan from Related parties (Unsecured)</u></b>		
From Companies	138.00	138.00
From Directors	<u>1,300.00</u>	<u>1,300.00</u>
	<u>1,438.00</u>	<u>1,438.00</u>
<b>B. CURRENT</b>		
<b>a) <u>Indian Rupee loan repayable on demand (Secured)</u></b>		
From bank (refer note no.16.2)	1,620.51	1,439.12
<b>b) <u>Indian Rupee loan from Related Parties (Unsecured)/ Current maturities of long term borrowings</u></b>		
(Refer note no.16.1)		
From Directors	<u>1,913.06</u>	<u>1,772.56</u>
	<u>3,533.57</u>	<u>3,211.68</u>
<b>16.1</b> Out of the total Unsecured borrowings from related parties aggregating ₹ 3,351.06 lakhs (previous year ₹ 3,210.56 lakhs), a sum of ₹ 1,438 lakhs (previous year ₹ 1,438 lakhs) has been classified as long term borrowing(s) as per stipulation of the bank for availing credit limits. The balance amount has been considered short term borrowing(s).		
<b>16.2</b> Working Capital Loans are secured against hypothecation of all moveable properties including plant & equipment, stocks of raw materials, stores and spares, finished goods, stock in trade and all book debts, bills and claims receivables. The loans from banks are collaterally secured against equitable mortgage of factory land/building & guaranteed by all Executive Directors.		
<b>16.3</b> The company has utilised the borrowings from banks and financial institutions for the specific purposes for which it was taken. There has been no default with regard to repayment of borrowing and interest during the year and outstanding on the date of balance sheet.		
<b>16.4</b> The company has not been declared as wilful defaulter by any bank or financial institution or any other lender.		
<b>17. LEASE LIABILITIES</b>		
Lease liabilities - current	60.29	52.88
Lease liabilities - non-current	<u>121.68</u>	<u>126.75</u>
	<u>181.97</u>	<u>179.63</u>
<b>17.1</b> In respect of building and plant & equipment taken on lease.		
<b>18. PROVISIONS (for employee benefits)</b>		
<b>A. NON-CURRENT</b>		
Gratuity	53.36	51.40
Compensated absence	<u>42.82</u>	<u>44.00</u>
	<u>96.18</u>	<u>95.40</u>
<b>B. CURRENT</b>		
Gratuity	41.19	41.15
Compensated absence	<u>22.46</u>	<u>22.18</u>
	<u>63.65</u>	<u>63.33</u>
<b>18.1</b> Provision for gratuity and compensated absence are determined by Actuary in terms of IndAS 19 (refer note 28.3 & 28.4).		
<b>19. TRADE PAYABLES</b>		
Micro, small and medium enterprises	168.55	91.44
Others	<u>276.82</u>	<u>392.60</u>
	<u>445.37</u>	<u>484.04</u>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

(All amounts in ₹ lakhs, unless otherwise stated)

**19.1 Ageing schedule of trade payables from date of transaction**

Particulars	As on March 31, 2022				Total
	< 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables :					
Micro, small and medium enterprises	168.55	-	-	-	168.55
Others	276.82	-	-	-	276.82
<b>Total</b>	<b>445.37</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>445.37</b>

Particulars	As on March 31, 2021				Total
	< 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables :					
Micro, small and medium enterprises	91.44	-	-	-	91.44
Others	392.28	0.32	-	-	392.60
<b>Total</b>	<b>483.72</b>	<b>0.32</b>	<b>-</b>	<b>-</b>	<b>484.04</b>

**19.2** The above information regarding Micro, Small and Medium enterprises have been determined to the extent such parties are identified on the basis of information available with the Company, which has been relied upon by the Auditors. Total outstanding dues of Micro, small and medium enterprises, which are outstanding for more than stipulated period and other disclosures in terms of Micro, Small and Medium Enterprises Development Act, 2006 are given below.

	As At	
	March 31, 2022	March 31, 2021
Dues remaining unpaid at the end of the year for Micro and Small enterprises :		
- Delayed payments due as at the end of each accounting year on account of Principal	Nil	Nil
- The amount of interest paid in terms of section 16 of MSMD ACT 2006 along with the amount of payment made beyond date during each accounting year.	Nil	Nil
- The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed date during the year) but without adding the interest specified under MSMD Act 2006.	Nil	Nil
- Interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
- The amount of further interest remaining due and payable in the succeeding years (Represents all interest amounts remaining due together with that from prior year(s) until such date when the interest was actually paid to the small enterprises.)	Nil	Nil

**19.3** The Company has sent letters to creditors for confirmations. However the same are awaited. Adjustment, if any, will be made on the receipt of the confirmations.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

(All amounts in ₹ lakhs, unless otherwise stated)

	<b>As At</b>	<b>As At</b>
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>20. OTHER FINANCIAL LIABILITIES</b>		
Salary, wages & bonus payable	106.39	128.10
Interest accrued but not due	3.21	2.75
Security deposits from customers	92.52	90.46
Other liabilities (refer note no.20.1)	<u>280.68</u>	<u>299.50</u>
	<u>482.80</u>	<u>520.81</u>

**20.1** Other liabilities include ₹ 255.63 lakhs (previous year ₹ 251.56 lakhs) towards interest payable on Unsecured borrowings.

**21. OTHER CURRENT LIABILITIES**

Provident fund & pension fund	13.45	11.72
TDS payable	48.16	35.40
Unclaimed Dividend of Investors (2015-16) (refer footnote 21.1)	0.83	-
Other statutory dues (refer footnote 21.2)	55.36	10.89
Advance from customers	<u>29.29</u>	<u>19.34</u>
	<u>147.09</u>	<u>77.35</u>

**21.1** Omitted to be disclosed along with Bank account in earlier years.

**21.2** Includes GST ₹ 52.76 lakhs (previous year ₹ 8.54 lakhs), ESI / Professional tax / Welfare fund ₹ 2.60 lakhs (previous year ₹ 2.35 lakhs).

**22. CURRENT LIABILITIES**

Income tax for current year (net of advance tax, TDS)	-	44.06
	-	44.06
	<b>For the Year</b>	<b>For the Year</b>
	<b>Ended</b>	<b>Ended</b>
	<b>March 31, 2022</b>	<b>March 31, 2021</b>

**23. REVENUE FROM OPERATIONS**

Sale of Products :		
Finished goods	4,746.45	5,255.16
Stock in trade	8,836.57	9,491.86
Sale of services	5.48	3.51
Other operating revenue (refer note no.23.1)	<u>23.32</u>	<u>48.75</u>
	<u>13,611.82</u>	<u>14,799.28</u>
Geographic bifurcation of sale of products :		
India	13,339.92	14,532.41
Outside India	243.10	214.61

**23.1 Other operating income includes the followings :**

i) Duty drawback	3.31	3.88
ii) Incentive under Product focus scheme	-	4.62
iii) Provision written back for doubtful debts	0.91	22.84
iv) Others [refer footnote 23.1(i)]	<u>19.10</u>	<u>17.41</u>
	<u>23.32</u>	<u>48.75</u>

**23.1(i)** Includes Bonus provision written back ₹ 1.86 lakhs (previous year ₹ 0.03 lakhs), Freight subsidy ₹ 2.58 lakhs (previous year ₹ 2.72 lakhs), Misc. income ₹ 8.22 lakhs (previous year ₹ 0.34 lakhs), Remission of duties and taxes ₹ 1.58 lakhs (previous year ₹ Nil), Earlier year expenses written back ₹ 4.39 lakhs (previous year ₹ 8.08 lakhs), Short and excess written off ₹ 0.47 lakhs (previous year ₹ 3.79 lakhs).

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

(All amounts in ₹ lakhs, unless otherwise stated)

	For the Year Ended <u>March 31, 2022</u>	For the Year Ended <u>March 31, 2021</u>
<b>24. OTHER INCOME</b>		
Interest received	0.16	1.11
Foreign exchange fluctuation gain (net)	65.50	58.34
Fair value gain on financial instrument (refer note 24.1)	23.59	-
Earlier year provision for taxation w/back	-	21.96
Profit on sale of asset	-	8.59
Interest on income tax refund	-	1.40
	<u>89.25</u>	<u>91.40</u>
<b>24.1</b> Represents gain on account of reworking of Lease Liability and Right of Use Asset as per IndAS 116 due to change in lease terms of one of the premises.		
<b>25. RAW MATERIAL CONSUMED</b>		
Rubber	628.96	570.23
Cloth	295.77	362.70
Ball covering materials	313.24	380.55
Chemicals & solvent	387.37	363.44
Nylon yarn	39.32	45.83
Heat transfer labels	49.68	60.56
Accessories, adhesives and other materials	542.90	744.58
	<u>2,257.24</u>	<u>2,527.89</u>
<b>26. PURCHASE OF STOCK-IN-TRADE</b>		
Health equipment & fitness accessories	4,616.13	4,732.51
T.T., cricket equipments & other sports goods	3,132.08	3,102.20
	<u>7,748.21</u>	<u>7,834.71</u>
<b>27. CHANGES IN INVENTORIES</b>		
<b>OPENING STOCKS</b>		
Finished goods	1,300.02	1,321.86
Stock-in-trade	3,524.85	2,998.01
Work in progress	472.40	445.11
	<u>5,297.27</u>	<u>4,764.98</u>
<b>CLOSING STOCKS</b>		
Finished goods	1,077.69	1,300.02
Stock-in-trade	4,698.72	3,524.85
Work in progress	677.52	472.40
	<u>6,453.93</u>	<u>5,297.27</u>
<b>Net (Increase) / Decrease in Inventory</b>	<b>(1,156.66)</b>	<b>(532.29)</b>
<b>28. EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, wages and bonus	1,296.84	1,164.40
Contribution to provident & other funds	104.46	98.34
Gratuity expenses (funded & non-funded)	27.56	28.11
Compensated absence	21.23	24.14
Staff welfare	84.51	81.09
	<u>1,534.60</u>	<u>1,396.08</u>
<b>28.1 DIRECTORS' REMUNERATION</b>		
Salary	229.20	188.10
House rent allowance	114.60	94.05
Contribution to provident & other Funds	1.30	1.19
Reimbursement of medical expenses	9.86	7.44
	<u>354.96</u>	<u>290.78</u>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ lakhs, unless otherwise stated)

### 28.2 Contribution to defined contribution plans

The Company makes contribution towards provident fund and pension fund. These funds are administered by Government of India. Under the schemes; the Company is required to contribute a specified percentage of salary to the retirement benefit schemes to fund the benefit. Contribution to Defined Contribution Plan, recognised as expense for the year are as under:-

	Year Ended <u>March 31, 2022</u>	Year Ended <u>March 31, 2021</u>
Employer's contribution to provident fund	29.27	26.42
Employer's contribution to pension fund	48.59	46.11

### 28.3 Defined Benefit Plan

#### Gratuity

The company has a defined benefit gratuity plan. Under the gratuity plan every employee, director and key managerial person who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service subject to maximum of ₹ 20 lakhs.

For employees, the Company makes annual contributions to approved Gratuity Trust under Income Tax Act, which in turn contributes to Life Insurance Corporation of India which administers the plan and determines the contributions required to be paid by the trust. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

For directors, Gratuity liability is non funded and provision is made as determined by the actuary in term of IndAS-19.

	<u>Gratuity (Funded)</u>		<u>Gratuity (Non-Funded)</u>	
	Year Ended		Year Ended	
	<u>March 31, 2022</u>	<u>March 31, 2021</u>	<u>March 31, 2022</u>	<u>March 31, 2021</u>
<b>I. Change in the benefit obligation</b>				
Defined benefit obligation at beginning of the year	337.08	311.08	92.54	89.60
Interest cost	22.89	21.12	6.28	6.08
Current service cost	21.64	21.53		
Benefits paid	14.37	17.55		
Actuarial (gain) / loss on obligations	(21.77)	0.90	(4.27)	(3.14)
Defined benefit obligation at the end of the year	345.47	337.08	94.55	92.54
<b>II. Change in plan assets</b>				
Fair value of plan assets at the beginning of the year	342.36	303.69		
Expected return on plan assets	23.25	20.62		
Employer Contribution	12.87	37.28		
Benefits paid	14.37	17.55		
Actuarial (Gain) / Loss on plan assets	(1.08)	1.68		
Fair value of plan assets at the year end	365.19	342.36		
Actual return on plan assets	24.33	18.94		
<b>III. Reconciliation of fair value of assets and obligations</b>				
Fair value of plan assets at the end of the year	365.19	342.36		
Present value of obligation at the end of the year	345.47	337.08		
Funded Status	19.72	5.28		
Net Asset / (Liability)	19.72	5.28		
<b>IV. Expenses recognised during the year</b>				
Current Service Cost	21.64	21.53		
Interest Cost	22.89	21.12	6.28	6.08
Expected return on plan assets	23.25	20.62		
Net actuarial (Gain) / Loss	(22.85)	2.58	(4.27)	(3.14)
Expenses charged to Statement of Profit & Loss	21.28	22.03	6.28	6.08
<b>V. Actuarial Assumptions</b>				
Discount Rate	7.22% p.a	6.79% p.a	7.22% p.a	6.79% p.a
Salary Escalation	6% p.a	6% p.a	6% p.a	6% p.a
Expected return on plan assets	8% p.a	8% p.a	8% p.a	8% p.a
<b>VI. Sensitivity analysis:</b>	<b><u>1% increase</u></b>	<b><u>1% increase</u></b>	<b><u>1% increase</u></b>	<b><u>1% increase</u></b>
Discount rate	(18.43)	(18.73)	(2.61)	(2.96)
Salary increase rate	19.67	19.95		
	<b><u>1% decrease</u></b>	<b><u>1% decrease</u></b>	<b><u>1% decrease</u></b>	<b><u>1% decrease</u></b>
Discount rate	19.53	19.89	2.71	3.08
Salary decrease rate	(18.72)	(18.96)		

Sensitivities due to employee attrition rate are not material and hence impact of change due to these not calculated.

The management of funds is entrusted with Life Insurance Corporation of India. The detail of investments made by them are not available.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

(All amounts in ₹ lakhs, unless otherwise stated)

**28.4 Leave Encashment**

It is an unfunded defined benefit plan for which the obligation is recognised on the basis of valuation made by actuary in terms of IndAS 19.

**28.5** Bonus provision under The Payment of Bonus Act, 2015 for the year has been made on estimated basis and any adjustment on account of final liability will be made in the subsequent year.

	<b>For the Year Ended March 31, 2022</b>	For the Year Ended March 31, 2021
<b>29. FINANCIAL COSTS</b>		
Interest expenses :		
On borrowings	426.49	366.79
On lease liability (ROU)	27.08	24.29
Bank charges	14.20	17.07
	<u>467.77</u>	<u>408.15</u>
<b>30. DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation of property, plant & equipment	94.34	96.33
Amortisation on right of use assets	68.36	51.01
Amortisation of intangible assets	2.84	4.72
	<u>165.54</u>	<u>152.06</u>
<b>31. OTHER EXPENSES</b>		
Power and fuel	215.01	215.95
Ball stitching charges	251.22	319.32
Other manufacturing expenses	341.32	306.62
Stores consumed	284.71	308.01
Repairs to plant and equipments	64.17	69.51
Repairs to building	18.49	11.82
Repairs to others	81.09	74.63
Rent	9.05	12.17
Rates & taxes (excluding taxes on income)	4.89	8.51
Insurance	31.56	31.76
Travelling expenses (refer note no.31.1)	74.12	60.79
Auditor's remuneration (refer note no.31.2)	5.50	5.15
Transportation, shipping & packing charges	259.34	240.54
Commission, discounts and rebates	278.62	334.24
Bad & doubtful debts provided	10.78	67.54
Advertisements & publicity	57.90	13.65
Freight & octroi	14.47	9.01
Legal & professional fees	71.17	62.62
Postage & telephone	44.52	32.92
Printing & stationery	12.75	12.17
Royalty expenses	16.98	3.23
CSR expenditure (refer note no 31.3)	9.00	8.83
Sales promotion expenses	169.03	116.61
Security expenses	17.11	14.04
Insurance Claim written off	24.40	-
Bad debts / advances written off	0.70	44.11
Miscellaneous expenses (refer note no 31.4)	65.56	88.31
	<u>2,433.46</u>	<u>2,472.06</u>

**31.1** Travelling expenses include directors' travelling ₹ 5.16 lakhs (previous year ₹ 4.82 lakhs).

**31.2** Statutory Audit fees is ₹ 5.50 lakhs exclusive of GST (previous year ₹ 5.15 lakhs).

**31.3 Corporate Social Responsibility (CSR)**

(a) CSR amount required to be spent as per section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the year is ₹ 9 lakhs (previous year ₹ 8.83 lakhs).

(b) Details of Amount spent towards CSR given below :

For Bird hospital paid to a trust where Director of company is a trustee.	9.00	8.83
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(All amounts in ₹ lakhs, unless otherwise stated)

31.4 Misc. expenses include Prior period expenses of ₹ 3.36 lakhs which is net of Prior period income of ₹ 4.63 lakhs (previous year ₹ 2.58 lakhs), director's sitting fee ₹ 1.10 lakhs (previous year ₹ 1.08 lakhs), General expenses ₹ 12.06 lakhs (previous year ₹ 8.90 lakhs), License fee ₹ 5.93 lakhs (previous year ₹ 9.48 lakhs), Covid protection expenses ₹ 2.47 lakhs (previous year ₹ 8.03 lakhs).

	For the Year Ended <u>March 31, 2022</u>	For the Year Ended <u>March 31, 2021</u>
<b>32. TAX EXPENSES</b>		
<b>Income tax recognised in Statement of Profit and Loss</b>		
Current tax	78.35	178.02
Earlier year taxation	0.15	-
Deferred tax	<u>(19.60)</u>	<u>3.20</u>
<b>Total income tax expenses recognised in the current year</b>	<u>58.90</u>	<u>181.22</u>
<b>The Income Tax expenses for the year can be reconciled to the accounting profit as follows :</b>		
Profit before tax	250.91	632.02
Applicable tax rate	25.168%	25.168%
Computed tax expenses	63.00	159.07
<b>Tax effect of :</b>		
Deductible expenses	(58.20)	(62.82)
Non deductible expenses	72.77	75.63
Interest on Income Tax / Deferred Tax	(18.97)	9.34
<b>Earlier year taxation</b>	<u>0.15</u>	<u>-</u>
<b>Total income tax expenses recognised in the current year</b>	<u>58.75</u>	<u>181.22</u>
<b>33. EARNING PER SHARE</b>		
Net Profit after tax	192.01	450.80
Weighted average no. of equity share (nos.)	41,61,000	41,61,000
Nominal value of equity per share (₹)	10.00	10.00
Basic earning per share	4.61	10.83
Diluted earning per share	4.61	10.83

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 34. SEGMENT INFORMATION

The company's operating segments are established on the basis of those components of the group that are evaluated regularly by the chief operating officer (the 'Chief Operating Decision Maker' as in IndAs 108 -'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems. The Company's business segments are as under:

(i) Own Manufactured Products : Segment includes manufacturing and supply of sport items.

(ii) Traded Goods : Segment includes trading of health equipment and fitness accessories and other sports goods.

The accounting policies adopted for segment reporting are in line with the accounting policy of the company with following additional policies for segment reporting :

- (a) Expenses have been identified to a segment on the basis of sale of the respective segment to the total sale of the company. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- (b) Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

#### (i) Primary Segment Information

Sr. No.	Particulars	Manufactured products		Traded products Stock in trade		Unallocable		Total	
		For the year ended on		For the year ended on		For the year ended on		For the year ended on	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>1</b>	<b>Segment Revenue</b>								
	Sales	4,746.45	5,255.16	8,836.57	9,491.86			13,583.02	14,747.02
	Sale of services			5.48	3.51			5.48	3.51
	Other income	16.14	31.37	7.18	17.38	20.89	40.38	44.21	89.13
		<b>4,762.59</b>	<b>5,286.53</b>	<b>8,843.23</b>	<b>9,512.75</b>	<b>20.89</b>	<b>40.38</b>	<b>13,632.71</b>	<b>14,839.66</b>
<b>2</b>	<b>Segment Results</b>								
	Profit before interest & tax	83.77	332.17	614.03	667.62	20.89	40.38	718.69	1,040.17
	Less : Interest expense	163.46	145.45	304.32	262.70			467.78	408.15
	Profit before tax	(79.69)	186.72	309.71	404.92	20.89	40.38	250.91	632.02
	Less : Tax								
	Current tax					78.35	178.02	78.35	178.02
	Earlier year taxation					0.15	-	0.15	-
	Deferred tax					(19.60)	3.20	(19.60)	3.20
	Net Profit after tax							192.01	450.80
<b>3</b>	<b>Other Information</b>								
A.	Segment Assets	4,178.80	3,657.41	6,048.42	6,132.08	745.89	696.99	10,973.11	10,486.48
B.	Segment Liabilities	544.63	555.09	591.07	587.70	3,814.92	3,533.51	4,950.62	4,676.30
	Capital expenditure	62.58	113.63	10.87	47.99			73.45	161.62
	Depreciation	61.57	59.57	35.62	41.47			97.19	101.04
C.	Working Capital (A-B)	<b>3,634.17</b>	<b>3,102.32</b>	<b>5,457.35</b>	<b>5,544.38</b>	<b>(3,069.03)</b>	<b>(2,836.52)</b>	<b>6,022.49</b>	<b>5,810.18</b>

(All amounts in ₹ lakhs, unless otherwise stated)

(ii) Secondary Segment Information

Sr. No.	Particulars	As At March 31, 2022	As At March 31, 2021
1	Segment Revenue		
	- Within India	13,389.61	14,625.05
	- Outside India	243.10	214.61
	Total Revenue	13,632.71	14,839.66
2	Segment Assets		
	- Within India	10,971.50	10,486.48
	- Outside India	1.61	-
	Total Assets	10,973.11	10,486.48
3	Segment Liabilities		
	- Within India	4,950.62	4,676.30
	- Outside India		
	Total Liabilities	4,950.62	4,676.30
4	Capital Expenditure		
	- Within India	73.45	161.62
	- Outside India		
	Total Expenditure	73.45	161.62

35. RELATED PARTY DISCLOSURE

As per IndAS 24, the disclosure of transactions with the related parties as defined in the Accounting Standard are given below :

**I List of Parties with whom transactions entered during the year**

**Significant influence with whom Company had transactions**

1 Cosco Polymer Industries (P) Ltd.

**Key Management Personnel**

1	Devinder Kumar Jain	Managing Director and CEO
2	Narinder Kumar Jain	Managing Director
3	Pankaj Jain	Whole Time Director and CFO
4	Manish Jain	Whole Time Director
5	Neeraj Jain	Whole Time Director
6	Arun Jain	Whole Time Director
7	Sudha Singh	Company Secretary

**Relatives of Key Management Personnel**

1	Devinder Kumar Jain	HUF
2	Narinder Kumar Jain	HUF
3	Prabha Jain	
4	Veena Jain	
5	Nikita Jain	
6	Akash Jain	

**II Detail of transactions made during the year between the company and related parties.**

	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
<b>A Significant influence with whom Company had transactions</b>		
<u>Cosco Polymer Industries (P) Ltd.</u>		
Loans received	-	105.00
Re-payment of loans	-	80.00
Interest accrued and due for the year	12.42	11.33
Payment of outstanding interest of previous year	10.48	16.46
Loans outstanding	138.00	138.00
Interest outstanding after TDS	11.18	10.48
Lease rent paid	9.60	9.60
<b>B Key Managerial Personnel</b>		
<u>Loans received</u>		
Devinder Kumar Jain	62.00	122.00
Narinder Kumar Jain	48.00	63.00
Manish Jain	58.00	90.00
Pankaj Jain	72.00	194.00
Neeraj Jain	42.00	69.00
Arun Jain	42.00	54.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ lakhs, unless otherwise stated)

	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
<b><u>Re-payment of loans</u></b>		
Devinder Kumar Jain	92.00	35.00
Narinder Kumar Jain	3.00	50.00
Manish Jain	-	22.00
Pankaj Jain	45.50	31.50
Neeraj Jain	43.00	26.00
Arun Jain	-	29.50
<b><u>Interest accrued and due for the year</u></b>		
Devinder Kumar Jain	59.14	65.59
Narinder Kumar Jain	30.22	32.74
Manish Jain	44.17	44.10
Pankaj Jain	73.93	75.06
Neeraj Jain	38.03	40.96
Arun Jain	26.12	26.98
<b><u>Payment of accrued interest after TDS</u></b>		
Devinder Kumar Jain	60.67	53.89
Narinder Kumar Jain	30.28	26.48
Manish Jain	40.79	36.13
Pankaj Jain	69.43	62.38
Neeraj Jain	37.89	34.20
Arun Jain	24.96	22.02
<b><u>Loans outstanding</u></b>		
Devinder Kumar Jain	670.65	700.65
Narinder Kumar Jain	375.61	330.61
Manish Jain	542.30	484.30
Pankaj Jain	862.65	836.15
Neeraj Jain	435.85	436.85
Arun Jain	326.01	284.00
<b><u>TDS recoverable from Directors</u></b>		
Manish Jain	0.83	-
Pankaj Jain	1.13	-
Neeraj Jain	0.62	-
Arun Jain	0.54	-
<b><u>Interest outstanding net of TDS</u></b>		
Devinder Kumar Jain	53.22	60.67
Narinder Kumar Jain	27.20	30.28
Manish Jain	39.75	40.79
Pankaj Jain	66.54	69.43
Neeraj Jain	34.22	37.89
Arun Jain	23.51	24.96
<b><u>Rent paid</u></b>		
Devinder Kumar Jain	3.90	3.90
Narinder Kumar Jain	7.02	7.02
Pankaj Jain	7.02	5.85
<b><u>Remuneration</u></b>		
Devinder Kumar Jain	69.12	56.42
Narinder Kumar Jain	68.46	56.47
Manish Jain	54.51	44.51
Pankaj Jain	55.39	44.55
Neeraj Jain	53.89	44.62
Arun Jain	53.59	44.21
<b><u>C Key Management Personnel's Relatives</u></b>		
<b><u>Rent paid</u></b>		
Prabha Jain	5.46	5.46
Veena Jain	-	1.17
<b><u>Remuneration</u></b>		
Nikita Jain	-	9.54
Aakash Jain	11.64	8.54

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ lakhs, unless otherwise stated)

	<b>For the Year Ended March 31, 2022</b>	<b>For the Year Ended March 31, 2021</b>
<b>35.1</b> Related parties have been identified by the management.		
<b>35.2</b> Key Managerial personnel remuneration does not include provision for gratuity and compensated absences.		
<b>35.3</b> No amounts have been written off / provided for or written back during the year in respect of amounts receivable from or payable to related parties.		
<b>35.4</b> Remuneration paid to KMP excludes expenses incurred in the course of performance of duty. Car perquisite which is calculated as per Income Tax Rules and given below.		
Devinder Kumar Jain	0.40	0.36
Narinder Kumar Jain	0.40	0.36
Manish Jain	0.32	0.30
Pankaj Jain	0.32	0.30
Neeraj Jain	0.32	0.30
Arun Jain	0.40	0.36

### 36. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF

(i) Claims against the company not acknowledged as debt :		
Cases against the Company in Labour Court & High Court by ex-employees	64.94	64.94
Income Tax for A.Y 2018-19	28.90	28.90
UP VAT / CST for A.Y 2009-10	34.70	34.70
(ii) <u>Guarantee</u>		
(a) To Sales Tax Authorities :		
for Cosco Polymer Industries Pvt. Ltd. (related party)	1.00	1.00
for others	5.27	5.27
(b) To State Electricity Board :		
for others	Not Ascertainable	Not Ascertainable
(c) To Banks in respect of contractual obligations to Canteen Store Departments	97.00	102.28

### 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's principal financial liabilities comprise borrowings, Security Deposits Received, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations. The company's principal financial assets include , trade and other receivables, cash and cash equivalents and security deposits that are out of regular business operations. The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a programme that performs close monitoring of and responding to each risk factors. The Company's senior management oversees the management of these risks.

#### (a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument that will fluctuate because of changes in market prices. Market risk comprises three types of risk i.e. interest rate risk, currency risk and other price risk, such as commodity risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

##### i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's borrowings from Banks with floating interest rates / volatility in rupee value against foreign currency fluctuations. The unsecured loans from related parties constitute a significant portion of total borrowings and is not subject to volatility in the rate of borrowings.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	<u>March 31, 2022</u>		<u>March 31, 2021</u>	
	<u>1% increase</u>	<u>1% decrease</u>	<u>1% increase</u>	<u>1% decrease</u>
<b>Impact on Profit Before Tax</b>				
Increase / (decrease) in average interest cost	45.13	(45.13)	43.52	(43.52)

##### ii. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Company deals in import of health equipment and exports sports goods. Adverse changes in rupees due to imports are partially off set by exports and company is able to pass on the increase in price of imports to the customers. In view of the insignificant risk, sensitivity analysis showing impact on profit is not calculated. During the year company earned currency fluctuation gain of ₹ 65.48 lakhs (previous year ₹ 58.34 Lakhs)

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

(All amounts in ₹ lakhs, unless otherwise stated)

**iii. Commodity price risk**

The company does not have significant risk in raw material price variations. In case of any variation in price, the same is normally passed on to customers through appropriate adjustment to selling prices. During the year variations in the prices of Significant raw material were unfavourable particularly of Raw rubber and chemicals which could not be absorbed in selling price fully due to lower demand.

**(b) Credit risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counter party default on its obligations. The company's exposure to credit risk arises majorly from trade and other receivables. Other financial assets like security deposits and bank deposits are paid against import consignments. Company has good past track record of recovery from trade receivables. Defaults in past have been very few and too less.

**(c) Liquidity risk**

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings, unsecured loans from directors on a continuous basis and security from dealers. The table below summarises the maturity profile of the Company's financial liabilities:

Particulars	Maturities			Total
	Upto 1 year	1-2 years	2-3 years	
<b>March 31, 2022</b>				
Non-current borrowings			1,438.00	1,438.00
Current borrowings	3,533.57			3,533.57
Trade payables	445.37			445.37
Other financial liabilities	543.09		121.68	664.77
<b>Total</b>	<b>4,522.03</b>	<b>-</b>	<b>1,559.68</b>	<b>6,081.71</b>
<b>March 31, 2021</b>				
Non-current borrowings			1,438.00	1,438.00
Current borrowings	3,211.68			3,211.68
Trade payables	484.04			484.04
Other financial liabilities	573.69		126.75	700.44
<b>Total</b>	<b>4,269.41</b>	<b>-</b>	<b>1,564.75</b>	<b>5,834.16</b>

**38. CAPITAL MANAGEMENT**

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders. The primary objective of the Company's capital management is to ensure that it maintains a good credit rating and capital ratios in order to support its business and maximise shareholder value. The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company includes within net debt, all non-current and current borrowings reduced by cash and cash equivalents and other bank balances.

	<u>Note</u>	<u>As at</u> <u>March 31, 2022</u>	<u>As at</u> <u>March 31, 2021</u>
Non-current borrowings	<b>16A</b>	<b>1,438.00</b>	1,438.00
Current borrowings	<b>16B</b>	<b>3,533.57</b>	3,211.68
Less : Cash and cash equivalents	<b>11</b>	<b>5.64</b>	6.28
Other bank balances	<b>11</b>	<b>287.90</b>	219.77
<b>Net Debt (A)</b>		<b><u>4,678.03</u></b>	<u>4,423.63</u>
Equity share capital	<b>14</b>	<b>416.10</b>	416.10
Other equity	<b>15</b>	<b>4,168.39</b>	3,956.08
<b>Total Capital (B)</b>		<b><u>4,584.49</u></b>	<u>4,372.18</u>
<b>Gearing Ratio (A/B)</b>		<b>1.02</b>	<b>1.01</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements. The breaches in meeting the financial covenants would permit the bank to immediately call borrowings. There have been no breaches in the financial covenants of any interest-bearing borrowings in the current year. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

**39. RATIOS**

Particulars	Current Year		Previous Year		Variance	Reasons for Variance
	(₹ in lakhs)		(₹ in lakhs)			
	Ratio	Ratio	Ratio	Ratio		
(a) Current ratio : (in times) Numerator = Total current assets Denominator = Total current liabilities	9,899.28 4,732.78	2.09	9,385.46 4,454.14	2.11	-0.01	
(b) Debt-Equity ratio : (in times) Numerator = Total Borrowing Denominator = Shareholders' equity	4,971.57 4,584.49	1.08	4,649.68 4,372.18	1.06	0.02	
(c) Debt service coverage ratio : (in times) Numerator : Earnings available for debt services = PAT + Non cash operating expenses + Interest + Other non-cash expenses Denominator : Debt service = Interest accrued and due + current portion of lease Liability+ current maturities of long term borrowings	825.32 2,228.98	0.37	1,011.01 2,099.94	0.48	-0.23	
(d) Return on equity ratio : (in %) Numerator = Net Profits after taxes Denominator = Shareholder's Equity	192.01 4,584.49	4.19%	450.80 4,372.18	10.31%	-59%	Due to reduction in sales and abnormal increase in prices of raw materials, net profits have substantially declined.
(e) Inventory turnover ratio : (in times) Numerator = Cost of goods sold=Cost of material+ consumed + Purchase of stock in trade + change in inventories of finished goods, WIP & stock in trade Denominator = Average Inventory	9,053.91 6,284.89	1.44	9,857.60 5,487.07	1.80	-20%	
(f) Trade receivables turnover ratio : (in times) (refer footnote 39.1) Numerator = Revenue from Operations Denominator = Average Trade Receivables	13,583.02 2,456.19	5.53	14,747.02 2,812.11	5.24	5%	
(g) Trade payables turnover ratio : (in times) (refer footnote 39.2) Numerator : Net purchase = Purchase of Stock in trade and raw material Denominator = Average Trade payables	10,049.30 464.70	21.63	10,222.43 674.53	15.15	43%	Despite lower turnover during the year, the company's procurement level is almost at the same level in comparison to last year as the company was positive that sales would boost up in the later part of the year. But that could not happen. However, the company disbursed to the creditors as per credit terms.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Current Year		Previous Year		Variance	Reasons for Variance
	(₹ in lakhs)	Ratio	(₹ in lakhs)	Ratio		
(h) Net capital turnover ratio : (in times) Numerator = Revenue from Operations Denominator = Working capital	13,583.02 5,166.49	2.63	14,747.02 4,931.32	2.99	-12%	
(i) Net profit ratio : (in %) Numerator = Net profit after tax Denominator = Revenue from Operations	192.01 13,583.02	1.41%	450.80 14,747.02	3.06%	-54%	Profit is decreased due to reduction of total sales by Rs.1191 lakhs in comparison to last year because of less demand due to pandemic situation. All material and fuel prices have increased but the company cannot increase prices of the products in proportionate to material increase prices.
(j) Return on capital employed : (in %) Numerator = Earning before finance cost and tax Denominator = Capital employed = Net worth + Total borrowings + Deferred tax liabilities (if any)	718.68 6,240.34	12%	1,040.17 6,032.33	17%	-33%	Earning is decreased due to less sales, increase in prices of raw materials but all fixed overhead costs remain same. Borrowings have increased which increased interest costs which affects the earning negatively.

39.1 In the absence of figure of Net credit sales, Revenue from operations has been taken into consideration for computing Trade receivables ratio.

39.2 In the absence of figure of Net credit purchases, Total purchases been taken into consideration for computing Trade Payables ratio.

39.3 Ratio for Return on Investment not reported since no investments is held by the Company.

40. Below table represents the reconciliation of figures of the charged Current assets quarterly statements and Returns filed with the banks and that reflected in the Books of accounts.

Nature of Current assets for the quarter ending	Sanction amount to which the discrepancy relates	Nature of discrepancy	Amount as per quarterly return & statements	As per unaudited books of accounts	Difference	Remarks including subsequent rectification, if any
June_2021 Trade Receivable	2,800.00	Non current debtors could not be considered.	2,439.41	2,505.06	(65.65)	Non Current debtors could not be considered due to inadvertence and no subsequent rectification was filed with the bank.
Inventory - Raw Material	2,800.00		306.33	306.33	-	
Inventory - Finished Goods / Stock in trade	2,800.00		5,993.69	5,993.69	-	
Inventory - Stores & Spares	2,800.00		139.48	139.48	-	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts in ₹ lakhs, unless otherwise stated)						
Nature of Current assets for the quarter ending	Sanction amount to which the discrepancy relates	Nature of discrepancy	Amount as per quarterly return & statements	As per unaudited books of accounts	Difference	Remarks including subsequent rectification, if any
<u>September, 2021</u>						
Trade Receivable	2,800.00		2,136.85	2,136.85	-	
Inventory - Raw Material	2,800.00		287.94	287.94	-	
Inventory - Finished Goods / Stock in trade	2,800.00		5,970.68	5,970.68	-	
Inventory - Stores & Spares	2,800.00	Clerical mistakes.	135.16	135.21	(0.05)	Clerical mistakes and no subsequent rectification was filed with the bank.
<u>December, 2021</u>						
Trade Receivable	2,800.00		2,245.20	2,245.20	-	
Inventory - Raw Material	2,800.00		265.86	265.86	-	
Inventory - Finished Goods / Stock in trade	2,800.00		5,990.65	5,990.65	-	
Inventory - Stores & Spares	2,800.00		135.64	135.64	-	
<u>March, 2022</u>						
Trade Receivable	2,800.00	Provision for doubtful debts are not considered.	2,371.67	2,253.88	117.79	Provision for doubtful debts were not considered due to inadvertence and no subsequent rectification was filed with the bank.
Inventory - Raw Material	2,800.00	Non moving items are valued at 5% which was wrongly added at full value.	345.05	298.45	46.60	While considering Non moving items of raw materials valued at 5%, ₹ 0.49 lakhs of store (valued at ₹ 9.80 lakhs) were wrongly considered due to inadvertence.
Inventory - Finished Goods / Stock in trade	2,800.00		5,776.41	5,776.41	-	
Inventory - Stores & Spares	2,800.00		133.75	133.75	-	

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

(All amounts in ₹ lakhs, unless otherwise stated)

**41. ADDITIONAL Notes and relevant regulatory information (Other than disclosed in Notes) :**

- 41.1** (a) The operating cycle of the company is assumed to be of twelve months in absence of clearly identifiable normal operating cycle and accordingly assets / liabilities have been classified as current / non current.
- (b) No impairment loss is recognised as on 31.03.2022 since the present value of estimated future cash flows over a period of five years exceeds the carrying value of assets of the Company's cash generating units.
- 41.2** Cosco Polymer Lanka (Private) Ltd. (erstwhile Subsidiary of the Company in Sri Lanka) has been ordered to be wound up by the Hon'ble High Court of the Western Province, Colombo. Accordingly, "Consolidated Financial Statements" as per Ind AS 110, have not been prepared.
- 41.3** The Equity Shares held by the Company in Cosco Polymer Lanka (Private) Ltd. (erstwhile Subsidiary of the Company in Sri Lanka) stand vested in the Secretary to the Treasury of the Government of Sri Lanka under the Revival of Underperforming Enterprises or Underutilised Assets Act No.43 of 2011 (of Republic of Sri Lanka) as per disclosures made in the earlier year Accounts. Competent Authority appointed under the said Act is controlling, administering and managing such Enterprises / Units / Assets. The Act (of Sri Lanka), provides for payment of compensation and accordingly claim was filed in Sri Lanka with the Compensation Tribunal constituted under the said Act. The Compensation Tribunal vide its letter Ref: Com T/01/27 dated 08.12.2015, has allowed compensation of LKR 480 lakhs (Equivalent INR 204.66 lakhs) and after deducting LKR 16.74 lakhs due for Board of Investment (BOI) of Sri Lanka as at the date of vesting, the net compensation payable is LKR 463.26 lakhs (Equivalent INR 197.52 lakhs). The amount is yet to be released and the same shall be credited to Liquidator, since Cosco Polymer Lanka (Private) Ltd. has been ordered to be wound up by the Hon'ble High Court of the Western Province, Colombo. The management does not expect any net realisable value of its investment in the erstwhile subsidiary. However realisation, if any, shall be accounted for in the year of actual receipt.
- 41.4** The Covid19 pandemic has caused significant disturbance and slowdown of economic activities globally. Due to restrictions of outdoor activities on account of closure of educational institutions, the total turnover of the company has decreased by ₹ 1191.92 lacs as compared to the corresponding previous year ended 31st March, 2021. The increase in administrative, selling and finance expenses to improve the turnover/increased inventory has resulted in decrease in profit before tax of ₹ 250.90 lacs as compared to corresponding previous year ended 31st March, 2021. The impact of increased expenses to improve the turnover /profits would be visible in the next financial year. However the company is closely monitoring the overall situation. The Management is hopeful that there would not be any adverse impact on the recoverability of carrying amount of the assets/disposal of increased inventory and collectability of trade receivables.
- 41.5** As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the company as per the Act. The funds were primarily utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

**Particulars**

	<u>As at March 31,2022</u>	<u>As at March 31,2021</u>
i) Amount required to be spent by the company during the year	8.82	8.79
ii) Amount of expenditure incurred	9.00	8.83
iii) Shortfall at the end of the year	NIL	NIL
iv) Total of previous years shortfall	NIL	NIL
v) Reason for shortfall	N.A	N.A
vi) Nature of CSR Activities	<b>For Bird Hospital</b>	For Education purpose

**42. Additional Regulatory Information:**

- 42.1** The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries), or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 42.2** The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries), or
- (b) provide any guarantee, security or the like
- 42.3** No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- 42.4** The company has not granted any loans or advances in the nature of loans to promoters, directors, KMP and the related parties except as stated in the note 8(iv) either severally or jointly with any other person which is either repayable on demand or without specifying any terms or period of demand and therefore requirement of disclosure of such loan / advance.

- 42.5 The Company do not have any transactions with companies that have been struck off.
- 42.6 The company has complied with the number of layers prescribed under clause (87) of section 2 of the act read with companies (restriction on number of layers) rules 2017.
- 42.7 Company has not applied any accounting policy retrospectively or has made a restatement of items in Financial Statement or has reclassified items in the Financial Statement.
- 42.8 The company has not done any transaction with struck off companies during the year and therefore no balance whether payable / receivable / investment in securities or shares of the company held by such struck off companies or any other outstanding exist on the balance sheet date.
- 42.9 The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 42.10 The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act,1961).
- 42.11 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the code becomes effective and the related rules to determine the financial impact are published.
43. Previous year figures have been reclassified / regrouped wherever necessary to confirm with those of current year figures.

As per our report of even date.

**FOR V.P.JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS**

FIRM'S REGISTRATION NO. : 015260N

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

**C.A.SARTHAK MADAAN**

Partner

Membership No.547131

**DEVINDER KUMAR JAIN**

Managing Director and CEO

DIN : 00191539

**NARINDER KUMAR JAIN**

Managing Director

DIN : 00195619

**PANKAJ JAIN**

Whole Time Director and CFO

DIN : 00190414

**SUDHA SINGH**

Company Secretary

Membership No.A33371

**PLACE** : New Delhi

**DATED** : May 30,2022



## Cosco (India) Limited

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