

M. M. RUBBER COMPANY LIMITED

CIN: L25190KA1964PLC052092

Regd. Office: "Empire Infantry", 3rd Floor, No. 29, Infantry Road, Bangalore-560 001

Website Address: www.mmfoam.in E-mail: mmfoam27@gmail.com

DIRECTOR'S REPORT**To the Members,**

The Directors have pleasure in presenting before you the 49th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2015.

ACTIVITY & PERFORMANCE

The principal activity of the company continues to be manufacture and marketing of foam and other related products.

Financial Summary or highlights/performance of the company

Particulars	Financial year ended March 31, 2015 ₹ in Lakhs	Financial year ended March 31, 2014 ₹ in Lakhs
Revenue from Operations	1779.42	1787.39
Operating Expenditure	1691.12	1803.70
Earnings Before Interest, Tax, Depreciation & Amortization(EBITDA)	88.30	-16.31
Other income (net)	10.72	5.22
Finance costs	67.20	61.44
Depreciation & amortization expense	7.94	12.95
Profit for the year after tax	23.88	-85.48
Balance brought from previous year	-82.10	2.89
Amount available for appropriation	-58.16	-82.10
Adjustment relating to fixed assets	5.81	-
Provision for taxation	-	-
Amount transferred to General reserve	-63.97	-82.10
Dividend	-	-
Balance carried to balance sheet	-63.97	-82.10
The position of reserves is as under:		
General Reserve	-63.97	-82.10

OPERATIONS & PERFORMANCE

The Company's turnover for the year ended 31st March 2015 remained the same as in previous year. However, the company was able to prune the costs substantially and thus was able to achieve a profit for the year as compared to loss in the previous year.

PROSPECTS:

The company is in the process of getting into export business and in this connection is in advanced stages of discussion with a super market chain in U.S.

Dividend

On the basis of the present profit position the company is unable to declare dividend to its shareholders. However your directors hope that in the coming years as the company's profitability improves suitable dividend would be considered.

Deposits

At the close of the year the matured deposit of Rs.17000/- remain unclaimed. Your Directors are taking steps to deal with the same in accordance with the provisions of Companies Act 2013.

LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the year 2015-16 to Bombay Stock Exchange where the Company's Shares are listed.

DEMATERIALIZATION OF SHARES:

40% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2015 and balance 60% is in physical form. The Company's Registrars are M/s CAMEO CORPORATE SERVICES LIMITED having their registered office at "Subramanian Building" No.1 Club House Road Chennai – 600002.

DIRECTORS RESPONSIBILITY STATEMENT:

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

- a) In the preparation of the annual accounts for the year ended 31st March, 2015, the applicable accounting standards have been followed and there are no material departures;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the same period ;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) They have laid down internal financial controls that are adequate and were operating effectively.
- f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

Based on the internal financial controls and compliance systems established and maintained by the company, work performed by the internal, statutory and secretarial auditors and reviews performed by the management, the Board is of the opinion that the company's internal financial controls were adequate and effective during the financial year 2014-15.

CONTRACTS AND ARRANGEMENT WITH RELATED PARTIES

During the year, the company has not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the company on materiality of related party transactions. Refer Note No. 22.8 to the financial statement which sets out related party disclosures.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Jacob Mammen (DIN 00078010) Director of the company retires by rotation and is eligible for reappointment.

Dr. Karun Philip (DIN: 01091468) Director of the company retires by rotation and is eligible for reappointment.

Mrs. Susan Kurian (DIN:00349062) who had been co-opted as Additional Director retires at the ensuing Annual General Meeting. She being eligible, offers her candidature to be reappointed as Independent Director of the Company for a term of 5 (five) consecutive years with effect from the date of the ensuing Annual General Meeting and that she shall not be liable to retire by rotation. Further as she satisfies the condition laid down under the Act for being treated as independent women director. Company proposes to treat her as independent director not liable for retirement by rotation for a period of five years.

Mr. Kandathil Ashok Kuriyan (DIN: 00081374) who is already a Non – Executive Director of the Company satisfies the criteria for Independent Director laid down under section 149(6) of the Companies Act, 2013. Therefore the Directors of your company recommend to appoint Mr. Kandathil Ashok Kuriyan as an Independent Director of your Company for a term of 5 (five) consecutive years with effect from the date of the ensuing Annual General Meeting and that he shall not be liable to retire by rotation.

Number of Board Meetings held:

The Board of Directors duly met four times during the financial year from 1st April, 2014 to 31st March, 2015. The dates on which the meetings were held are as follows:

1. 30-05-2014
2. 24-07-2014
3. 21-10-2014
4. 30-01-2015

AUDIT OBSERVATIONS:

i) Statutory Auditors :

The Auditors, M/s. S R Mandre & Co., (Firm registration No 001962S), Chartered Accountants, were appointed as statutory auditors of the company for a period of three consecutive years at the Annual General Meeting held on 26th September, 2014, who shall hold office until the conclusion of the annual general meeting to be held for the financial year 2016-17. As per section 139 of the Companies Act, 2013, the appointment needs to be ratified at every annual general meeting by the members. Directors recommend for ratification of the appointment of auditors made on 26.09.2014.

The notes on financial statement referred to in the auditors report are self-explanatory and do not call for any further comments. The Auditors report does not contain any qualification, reservation or adverse remark.

Material changes and commitments, if any affecting the financial position of the company occurred between the end of the financial year to which these financial statements relate and the date of the report.

No material changes and commitments affecting the financial position of the company occurred from the end of the financial year 2014-15 till the date of this report. Further there was no change in the nature of the business of the company.

ii) Cost Auditors :

M/s. SBK & Associates (Membership No.15108), Cost Accountants were appointed as Cost Auditors for auditing the cost accounts of your Company for the year ended 31st March, 2015 by the Board of Directors. The Cost Audit Report for the year 2013-14 has been filed under XBRL mode within the due date of filing.

iii) Secretarial Audit :

According to the provision of section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report submitted by Company Secretary in Practice is enclosed as a part of this report **Annexure-A**.

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

1. Specific areas in which R&D carried out by the Company

The Company has an ongoing programme on latex technology development and its related application to various products. Accordingly the Company has in the past launched new products such as dual deluxe mattress, contour pillow, hemorrhoid cushions and coccyx cushions.

2. Technology Absorption, Adaptation and Innovation

The latest technology is being adopted in the factory for improving productivity and product quality and reducing consumption of raw materials and fuel. In this connection pre-vulcanized latex is being adopted.

3. Foreign Exchange Earning and Outgo

Statutory particulars with regards to foreign exchange and outgo appear in the notes pertaining to the accounts.

EXTRACT OF ANNUAL RETURN :

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as **Annexure-B**.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES:

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, in respect of employees of the Company and Directors is furnished hereunder:

Sl. No.	Name	Designation	Remuneration paid FY 2014-15 in lakhs	Remuneration paid FY 2013-14 in lakhs	Increase in remuneration from previous year in lakhs	Ratio/Times per Median of employee remuneration
1.	Mr. Roy Mammen	Managing Director	14.85	11.52	3.33	6.56
2.	Mr. Mammen Philip	Director corporate affairs	2.07	2.07	-	0.91

DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY:

The Company's Development and Implementation is provided elsewhere in this Annual Report in Management Discussion and Analysis as **Annexure-C**.

ACKNOWLEDGEMENT:

Directors take this opportunity to express their thanks to various departments of the Central and State Government, Bankers, Material Suppliers, Customers and Shareholders for their continued support and guidance.

The Directors wish to place on record their appreciation for the dedicated efforts put in by the Employees of the Company at all levels.

BY ORDER OF THE BOARD
For **M.M.RUBBER CO. LTD.**,

PLACE: BANGALORE
DATE: 29.5.2015

ASHOK KURIYAN
Director
(DIN: 00081374)

ROY MAMMEN
Managing Director
(DIN: 00077409)

ANNEXURE – A

Form MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2015

[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,
M M RUBBER COMPANY LIMITED
CIN: L25190KA1964PLC052092
Empire Infantry, 3rd Floor,
No. 29, Infantry Road, Bangalore- 560001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M M RUBBER COMPANY LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the M M RUBBER COMPANY LIMITED (name 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, I hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on 31.03.2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M M RUBBER COMPANY LIMITED ("the Company") for the financial year ended on 31.03.2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) Other laws as may be applicable specifically to the company - NIL

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

- (i) The Listing Agreements entered into by the Company with BSE Limited, Bangalore Stock Exchange Limited and Madras Stock Exchange Limited.

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

- (a) The Company has not complied Clause 41 (VI) of the Listing Agreement.

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

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

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company had no specific events/actions having a major bearing on the company's affairs:

Place: Chennai	Name of Company Secretary in practice:	M. Damodaran
Date : 29.05.2015	FCS No.	5837
	C P No.:	5081

ANNEXURE - B**EXTRACT OF ANNUAL RETURN
FORM MGT 9**(Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company
(Management & Administration) Rules, 2014)**FINANCIAL YEAR ENDED ON 31.03.2015**

I. REGISTRATION & OTHER DETAILS :	
i	CIN : L25190KA1964PLC052092
ii	Registration Date : 18/08/1964
iii	Name of the Company : M M RUBBER COMPANY LIMITED
iv	Category/Sub-category of the Company : Company having Share Capital
v	Address of the Registered Office & contact details : Empire Infantry, 3rd Floor, No.29, Infantry Road, Bangalore – Karnataka
vi	Whether listed company : Yes (Listed in BSE)
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any. : CAMEO CORPORATE SERVICES LIMITED "SUBRAMANIAN BUILDING" No.1 CLUB HOUSE ROAD CHENNAI – 600002

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

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

Sl No.	Name & Description of main products/services	NIC Code of the Product / service	% to total turnover of the company
1	Manufacture of Foam based products such as Beds & Pillows	25	80

III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES :

Sl No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARE HELD	APPLICABLE SECTION
The Company does not have any Holding, Subsidiary or associate companies					

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	487904	487904	9.7961	-	487904	487904	9.7961	-
b) Central Govt.or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-
d) Bank/Fl	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUBTOTAL:(A) (1)	-	487904	487904	9.7961	-	487904	487904	9.7961	-
(2) Foreign									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/Fl	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
SUBTOTAL (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	-	487904	487904	9.7961	-	487904	487904	9.7961	-
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/Fl	-	700	700	0.140	-	700	700	0.0140	-
c) Central govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	400	-	400	0.0800	0.080
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
SUBTOTAL (B)(1):	-	700	700	0.0140	400	700	1100	0.0220	0.080
(2) Non Institutions									
a) Bodies corporates	214491	402638	617129	12.3907	88232	402463	490695	9.8521	-2.5385
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	1563037	1993310	3556347	71.4044	1586133	1959834	3545967	71.1960	-0.2084
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	102600	52500	155100	3.1141	244000	52500	296500	5.9531	2.8390
c) Any Other (specify)									
Hindu undivided families	52201	-	52201	1.0480	50954	-	50954	1.0230	-0.0250
NRIs	26413	84555	110968	2.2280	22499	84555	107054	2.1494	-0.0785
Foreign Bodies Corporate	-	-	-	-	-	-	-	-	-
Trusts	16	200	216	0.0043	191	200	391	0.0078	0.0035
SUBTOTAL (B)(2):	1958758	2533203	4491961	90.1897	1992009	2499552	4491561	90.1817	-0.0080
Total Public Shareholding (B)= (B)(1)+(B)(2)	1958758	2533903	4492661	90.2038	1992409	2500252	4492661	90.2038	0.000
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1958758	3021807	4980565	100.00	1992409	2988156	4980565	100.00	-

(ii) SHARE HOLDING OF PROMOTERS :

Sl.No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of shareholding during the year
		No of Shares	% of total shares of the Company	% of shares pledged encumbered to total shares	No of Shares	% of total shares of the Company	% of shares pledged encumbered to total shares	
1	Mammen Philip	69,080	1.39	-	69,080	1.39	-	-
2	C Philip	51,800	1.04	-	51,800	1.04	-	-
3	C Philip	43,000	0.86	-	43,000	0.86	-	-
4	C Philip	44,157	0.89	-	44,157	0.89	-	-
5	C Philip	54,355	1.09	-	54,355	1.09	-	-
6	C Philip	74,259	1.49	-	74,259	1.49	-	-
7	Divya Philip	3,510	0.07	-	3,510	0.07	-	-
8	K Mammen Mappillai	26,375	0.53	-	26,375	0.53	-	-
9	K M Philip	35,150	0.71	-	35,150	0.71	-	-
10	Kandathil Mammen Philip	1,750	0.04	-	1,750	0.04	-	-
11	Kandathil Mammen Philip	26,700	0.54	-	26,700	0.54	-	-
12	Mammen Philip	383	0.01	-	383	0.01	-	-
13	Meera Philip	40,295	0.81	-	40,295	0.81	-	-
14	Peter Philip	3,700	0.07	-	3,700	0.07	-	-
15	Rohit Philip	11,390	0.23	-	11,390	0.23	-	-
16	Late Mrs T Jacob	2,000	0.04	-	2,000	0.04	-	-

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE) :

Sl.No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	At the beginning of the year	487,904	9.7951	487,904	9.7951
2	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	NIL			
3	At the end of the year	487,904	9.7951	487,904	9.7951

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

Sl.No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Shub Labh India Marketing and Consultants Private Limited	145675	2.9248	25	0.0005
2	Naveen Bothra	102600	2.0600	244000	4.8990
3	M M Housing Private Ltd	86354	1.7338	86354	1.7338
4	Devon Plantations & Industries Limited	82814	1.6627	82814	1.6627
5	Badra Estates & Industries Ltd	70000	1.4054	70000	1.4054
6	Balanoor Plantations & Industries Ltd	67850	1.3622	67850	1.3622
7	Arun Mammen	52500	1.0540	52500	1.0540
8	Stable Investments & Fin Co Ltd	50000	1.0039	50000	1.0039
9	Thankamma Simon	40410	0.8113	40410	0.8113
10	Rekha	37550	0.7539	37550	0.7539
11	Hela Holdings Pvt. Ltd.	37300	0.7489	37300	0.7489

(v) Shareholding of Directors and Key Managerial Personnel :

Sl.No.	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	Shareholding of Key Managerial Personnel :				
1	ROY MAMMEN	14256	0.2861	14256	0.2861
	Shareholding of Directors :				
2	MAMMEN PHILIP	69463	1.3945	69463	1.3945
3	SUSAN KURIAN	7000	0.1405	7000	0.1405
4	JACOB MAMMEN	6224	0.1249	6224	0.1249
5	ASHOK KURIYAN	3275	0.0657	3275	0.0657

V. INDEBTEDNESS:
Indebtedness of the Company including interest outstanding/accrued but not due for payment

(In lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	399.36	45.00	-	444.36
ii) Interest due but not paid	-	9.38	-	9.38
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	399.36	54.38	-	453.74
Change in Indebtedness during the financial year				
• Addition	-	3.60	-	3.60
• Reduction	3.43	-	-	3.43
Net Change	-3.43	3.60	-	0.17
Indebtedness at the end of the financial year				
i) Principal Amount	395.93	45.00	-	440.93
ii) Interest due but not paid	-	12.98	-	12.98
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	395.93	57.98	-	453.91

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A) Remuneration to Managing Director, Whole-time Directors and/or Manager:

(In lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		MR. ROY MAMMEN Managing Director	MR. MAMMEN PHILIP Director Corporate Affairs	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13.50	2.07	15.57
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.35	-	1.35
	(c) Profits in lieu 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others, specify			
5.	Others, please specify (Fee for attending Board committee meetings)	NIL	0.015	0.015
	Total (A)	14.85	2.085	16.935

B) Remuneration to other directors:

(In lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Mr. Ashok kuriyan	Mr. Jacob Mammen	
1.	Independent Directors			
	• Fee for attending committee meetings	-	-	-
	• Commission	-	-	-
	• Others, please	-	-	-
	Total (1)	-	-	-
2.	Other Non-Executive Directors			
	• Fee for attending -Board committee meetings	0.015	0.020	0.035
	• Commission	-	-	-
	• Others, please specify	-	-	-
	Total (2)	0.015	0.020	0.035
	Total = (1 + 2)	0.015	0.020	0.035
	Income-tax Act, 1961 (c) Profits under in lieu section of salary 17 (3) nil Income-tax Act, 1961			
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total	0.015	0.020	0.030

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

ANNEXURE -C**MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT****a) Internal Control Systems and their Adequacy :**

Management has put in place effective Internal Control Systems to provide reasonable assurance for:

- Safeguarding Assets and their usage.
- Maintenance of Proper Accounting Records and
- Adequacy and Reliability of the Information used for carrying on Business Operations.

b) Key elements of the Internal Control Systems are as follows:

- (i) Existence of Authority Manuals and periodical updating of the same for all Functions.
- (ii) Existence of clearly defined organizational structure and Authority.
- (iii) Existence of corporate policies for Financial Reporting and Accounting.
- (iv) Existence of Management information system updated from time to time as may be required.
- (v) Existence of Annual Budgets and Long Term Business Plans.
- (vi) Existence of Internal Audit System.
- (vii) Periodical review of opportunities and risk factors depending on the Global / Domestic Scenario and to undertake measures as may be necessary.

The Company has appointed an Independent Auditor to ensure compliance and effectiveness of the Internal Control Systems in place.

The Audit Committee is regularly reviewing the Internal Audit Reports for the auditing carried out in all the key areas of the operations Additionally. The Audit Committee approves all the audit plans and reports for significant issues raised by the Internal and External Auditors. Regular reports on the business development, future plans and projections are given to the Board of Directors. Internal Audit Reports are regularly circulated for perusal of Senior Management for appropriate action as required.

Normal foreseeable risks of the Company's assets are adequately covered by comprehensive insurance. Risk assessments, inspections and safety audits are carried out periodically.

c) Financial and Operational Performance :

The details are already furnished under "Activity and Performance".

d) Human Resources Development and Industrial Relations :

The Company for its employees are offering various incentive and other welfare schemes to motivate the employees. The Company's relationship with its work force is cordial.

e) Cautionary Statement :

Statements in the Management Discussion and Analysis and Directors Report describing the Company's strengths, strategies, projections and estimates, are forward-looking statements and Progressive within the meaning of applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors. Readers are cautioned not to place undue reliance on the forward looking statements.

BY ORDER OF THE BOARD
For **M.M.RUBBER CO. LTD.**,

PLACE: BANGALORE
DATE: 29.5.2015

ASHOK KURIYAN
Director
(DIN: 00081374)

ROY MAMMEN
Managing Director
(DIN: 00077409)

NOTE:The Directors at their meeting held on 29.5.2015 have authorized Mr. Ashok Kuriyan and Mr. Roy Mammen, Directors to sign this report on their behalf.

ADDENDUM REGARDING QUALIFICATION IN AUDITORS REPORT

The Auditors in their report have qualified the following.

1. Non provision in the accounts for certain retirement benefits
2. Non ascertainment of impairment of assets
3. Valuation of finished products.

Your Directors wish to clarify as under:-

- a) The company settles the gratuity liability of the employees as and when the said employee leaves the organization. The company in view of it being declared as sick industrial company and referred to BIFR in the earlier year, could not ascertain and make provision in the accounts for its accrued gratuity liability. However, steps are being taken and the company is in the process of ascertaining its accrued liability on account of gratuity. Pending such ascertainment no provision for gratuity has been made in the accounts. Further the company do not have the policy of allowing the employees to encash leave at their credit while in service and hence no provision is made for the liability if any towards encashment of leave for those employees who are still in service.
- b) The Company has completed gathering information, about the value of assets that are required to be removed consequent on closure of BOPP and Glove Division and steps are being taken to remove the value of such assets in books. Pending the same no adjustment is made in the accounts the impairment, if any, of the value of assets.
- c) The company is in the process of ascertaining the cost of each of the product dealt by it and pending such ascertainment the inventories are continued to be valued, as in previous year, at the net billing price.

By ORDER OF THE BOARD
FOR M.M.RUBBER CO. LTD.,

PLACE: BANGALORE
DATE: 29.5.2015

ASHOK KURIYAN
Director

ROY MAMMEN
Managing Director

INDEPENDENT AUDITORS' REPORT**To The Members of M M Rubber Company Limited****Report on the Financial Statements**

We have audited the accompanying financial statements of M M Rubber Company Limited, (The Company) Bangalore which comprise the Balance Sheet as at 31st March 2015 and the Statement of Profit & Loss Account and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and the other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013(the Act) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities: selection and application of appropriate accounting policies: making judgments and estimates that are 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 financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the act in the manner so required subject to the non-ascertainment of impact on the accounts of the company in respect of matters dealt with in the Note No.22.7(Revised Accounting Standard No.15 on Employees Retirement Benefits has been Complied with except that the Company neither has ascertained nor provided for actuarial value of its gratuity liability and Leave Encashment as on 31.3.2015,and subject to Note No 22.6(Accounting Standard A S 28 on Impairment of assets) and subject to Note no 22.1(Balances are subject to confirmations) and subject to deviation from Accounting Standard AS 2 regarding valuation of finished goods inventory for the reasons stated in Note No.22.5 of the notes to the accounts and read together with other notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India, of the State of affairs of the Company as at 31st March 2015 and the statement of Profit & Loss Account, and its Cash Flow Statement, for the year ended on that date.

Report on other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, based on the comments in the Auditor's Report of the Company and on the auditor's reports issued in accordance with the Order , we give in the annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

1. 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.

2. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
3. The Balance Sheet, Statement of Profit & Loss and Cash Flow statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the financial statements.
4. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of Act, read with Rule 7 of the Companies (Accounts) Rules 2014:
5. On the basis of the written representations received from the directors as on 31st March 2015 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2015 from being appointed as a director in terms of Section 164(2) of the Companies Act,2013
6. 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:
 - a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as of March 31,2015.
 - b) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - c) There has been no delay transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S R Mandre & Co
Chartered Accountants
FRN No 001962S

Place : Bangalore
Date : 29.05.2015

B S Dinesh
Partner
Mem No 29624

ANNEXURE

(Referred to in Paragraph 1 of our Report on Other Legal and Regulatory Requirements section of our report of even date)

- (i) In respect of the fixed assets of the Company
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
 - (b)The Fixed assets were physically verified by the management during the year in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. Accordingly to the information and explanations given to us no material discrepancies were noticed on such verification, however, such records do not show updated value both in respect of Gross Block and Net Block.
- (ii) In respect of the Inventories of the Company:
 - (a) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals.
 - (b)In our opinion, and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and nature of its business;
 - c) In our opinion, and the according to the information and explanations given to us, the Company has maintained proper records of inventories and no material discrepancies were noticed on physical verification..
- iii) The Company has not granted any loans, secured or unsecured ,to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act,2013.
- iv) In our opinion and in according to the information and explanations given to us having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate Internal Control procedure commensurate with the size of the Company and the nature of its business with regard to the purchase of inventories and the sale of goods and services. During the course of our audit, we have not observed any major weakness in the internal control system. However, areas pertaining to purchase of goods and inventory needs to be strengthened.
- v) According to information and explanations given to us, the Company has not accepted any deposit during the year and does not have any unclaimed deposit. Therefore the provisions of the clause 3(v) of the Order are not applicable to the company.

- vi) The provisions of clause 3(vi) of the Order are not applicable to the Company.
- vii) According to the information and explanations given to us, in respect of statutory Dues.:
- The Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Income-tax Act, Vat, Wealth Tax, Customs Duty, Excise Duty, Service tax, Cess and other statutory dues with the appropriate authorities except in some cases there has been delays in remittance of ESI as ascertained and provided for in the books of account of the company.
 - there are no undisputed amounts payable in respect of Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Income-tax Act, Vat, Wealth Tax, Customs Duty, Excise Duty, Service tax, Cess and other statutory dues were in arrears as at 31st March 2015, for a period of more than six months from the date they became payable.
 - The details of due of excise duty of sales Tax , which have not been deposited as on 31st March 2015, on account of disputes are given below:

Name of the Statute	Nature of Dues	Amount Rs in lakhs	Period to Which it relates	Forum where Pending
Central Excise Laws	Excise Duty 1/3/1981 to 31/3/1985 Order dated 5/07/2011	96.30	1980/85	CE Tribunal Chennai CE Trbinual Chennai
Sales Tax Laws	Kerala Sales Tax, Surcharge And Interest	14.03 9.03	1997/1999 1996/1997	Kerala High Court Dy Comm of Sales Tax Kerala

- During the year there were no amounts due for transferring to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- viii) The Company has accumulated losses at the end of the financial year which is more than 50% of its net worth. The Company has not incurred cash losses during the current financial year covered by our audit and had incurred cash losses during the immediately preceding financial year.
- In our opinion and according to information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank during the year. The Company has not issued any debentures.
 - According to the information and explanations given to us company has not given any guarantee for loans taken by others from banks and financial institutions.
 - As per the information and explanations to given to us, the company did not avail any term loan during the year.
 - On the basis of our examination and according to the information and explanations given to us, no fraud by the company and no material fraud on the company, has been noticed or reported during the year.

For **S.R.MANDRE & CO.**,
Chartered Accountants
Firm Reg No. 001962S

(B.S.DINESH)
Partner

Membership No. 29624

Place: Bangalore
Date: 29.05.2015

BALANCE SHEET AS AT 31ST MARCH 2015

	Notes No.	As at 31.3.2015 ₹	As at 31.3.2014 ₹
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	99,61,130	99,61,130
Reserves & Surplus	3	-63,93,395	-82,06,348
		35,67,735	17,54,782
Non-current Liabilities			
Long Term Borrowings	4	4,12,928	5,97,066
Deferred Tax Liability (net)	-	--	--
Other Long Term Liabilities	-	--	--
Long Term Provisions	5	3,80,000	3,80,000
		7,92,928	9,77,066
Current Liabilities			
Short Term Borrowings	6	4,53,90,944	4,53,73,876
Trade Payables	7	1,85,59,337	2,31,29,267
Other Current Liabilities	8	1,71,69,256	1,38,00,937
Short Term Provisions		--	--
		8,11,19,537	8,23,04,080
Total		8,54,80,200	8,50,35,928
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	9	65,36,704	51,27,523
Intangible Assets	-	--	--
Capital Work-in-progress	-	--	--
		65,36,704	51,27,523
Non Current Investments (NSS)		8,567	8,567
Long Term Loans & Advances	10	41,92,416	58,75,680
		42,00,983	58,84,247
Current Assets			
Current Investments	-	--	--
Other Current Assets	11	10,57,000	10,57,000
Inventories	12	4,32,46,595	4,20,61,949
Trade Receivables	13	1,40,79,197	1,79,81,277
Cash and Bank Balances	14	45,10,138	47,60,398
Short Term Loans and Advances	15	1,18,49,583	81,63,534
		7,47,42,513	7,40,24,158
Total		8,54,80,200	8,50,35,928
Significant Accounting Policies	1		
Notes are an Integral part of the financial statements			

As per our Report of even date
For S R Mandre & Co
Chartered Accountants
Firm Reg No. 001962S

(B S DINESH)

Place : Bangalore
Date : 29.05.2015

ROY MAMMEN
Managing Director

ASHOK KURIYAN JACOB MAMMEN
Director Director

Partner
Membership No 29624

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2015

	Notes	Year Ended 31.3.2015 ₹	Year Ended As at 31.3.2014 ₹
INCOME			
Revenue from Operations	16	17,79,42,245	17,87,39,752
Other Income	17	10,72,701	5,22,190
Total Revenue		17,90,14,946	17,92,61,942
EXPENSES			
Cost of Materials Consumed	18a	7,57,28,389	7,77,85,610
Purchases of Stock-in-trade	18b	37,46,335	31,06,884
Changes in Inventories of finished goods	18c	-11,84,646	30,33,176
Employee Benefits Expense	19	2,77,23,263	2,82,41,844
Other Expenses	20	6,30,98,212	6,82,02,873
Total Expenses		16,91,11,553	18,03,70,387
EARNINGS BEFORE INTEREST, TAX DEPRECIATION, AMORTISATION and DEPLETION			
		99,03,393	-11,08,445
Depreciation and Amortisation Exp	9	7,94,120	12,95,249
Finance Costs	21	67,20,848	61,44,192
		75,14,968	74,39,441
Loss/Profit Before Tax		23,88,425	-85,47,886
Less: Tax Expenses			
Current Tax Provision		--	--
Excess Provision/Added Back		-5,175	-47,902
		-5,175	-47,902
Loss/Profit After Tax		23,93,600	-84,99,984
EARNINGS PER SHARE			
Basic		0.48	-1.72
Diluted		0.48	-1.71

(Face value of Rs 2/-each)

Significant Accounting Policies 1

Notes are an Integral part of the financial statements

As per our Report of even date
For S R Mandre & Co
Chartered Accountants
Firm Reg No. 001962S

(B S DINESH)

Partner

Membership No 29624

Place : Bangalore
Date : 29.05.2015

ROY MAMMEN
Managing Director

ASHOK KURIYAN
Director

JACOB MAMMEN
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

Particulars	Year Ended 31.3.2015 ₹	Year Ended 31.3.2014 ₹
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Profit/Loss before Tax and extraordinary items	23,93,600	-85,47,886
Add: Interest paid	67,20,848	61,44,192
Bonus Short provision	-5,175	47,902
Depreciation	7,94,120	12,95,249
	<u>99,03,393</u>	<u>-10,60,543</u>
Less :		
Less : Miscellaneous Receipts	10,72,701	5,22,190
Operating Profit Before working captial changes	88,30,692	-5,38,353
Working Capital Changes		
Increase/(Decrease) in Trade payables	-45,69,931	91,89,237
Increase/(Decrease) in other current Liabilities	-33,68,317	32,91,223
Increase/(Decrease) in inventories	-11,84,646	-30,33,176
Increase/ (Decrease) in Debtors	39,02,080	30,87,136
Cash Generated from Operating Activities	36,09,878	1,19,96,067
Tax paid	-	-
Cash used(-)/(+)Generated for Opearting Activities (A)	<u>36,09,878</u>	<u>1,19,96,067</u>
B) CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Fixed Assets	-27,83,948	-14,98,309
Interest Received	10,72,701	5,22,190
Miscellaneous Receipts	-	2,30,000
Cash used(-)/(+)Generated for Investing Activities (B)	<u>-17,11,247</u>	<u>-7,46,119</u>
C) CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment(-)/Proceeds(+) Long Term borrowings	-1,84,138	-7,29,638
Repayment(-)/Proceeds(+) Short Term borrowings	-17,067	68,755
Increase/(Decrease)in long Term Advances	10,81,938	-17,09,133
Increase/ (Decrease) in short term Loans and Advances	36,86,049	-17,28,731
Bonus short provision	5,175	47,902
Interest paid	-67,20,848	-61,44,192
Cash used(-)/(+)Generated for Finacing Activities (C)	<u>-21,48,891</u>	<u>-1,01,95,037</u>
NET Increase(+)/Decrease(-)	<u>-2,50,260</u>	<u>10,54,911</u>
IN CASH AND CASH EQUIVALENTS (A+B+C)	<u>-2,50,260</u>	<u>10,54,911</u>
CASH AND CASH EQUIVALENTS OPENING BALANCE	47,60,398	37,05,487
CASH AND CASH EQUIVALENTS CLOSING BALANCE	45,10,138	47,60,398
	<u>2,50,260</u>	<u>-10,54,911</u>
CASH AND CASH EQUIVALENTS (YEAR END)		
BALANCES WITH BANKS	43,79,260	45,58,686
CASH IN HAND	1,30,878	2,01,712
	<u>45,10,138</u>	<u>47,60,398</u>

As per our Report of even date
For S R Mandre & Co
Chartered Accountants
Firm Reg No. 001962S

(B S DINESH)

Place : Bangalore
Date : 29.05.2015

ROY MAMMEN
Managing Director

ASHOK KURIYAN **JACOB MAMMEN**
Director Director

Partner
Membership No 29624

NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2015**CORPORATE INFORMATION:**

M M Rubber Company Ltd, (a manufacturing unit) is a Listed Company incorporated under the Companies Act. The Company's shares are listed in Bombay Stock Exchange, Madras Stock Exchange and Bangalore Stock Exchanges. The manufacturing unit of the company is situated at Ambattur Industrial Estate, Chennai. The unit manufactures foam based products such as beds, pillows etc., The Company's Sales Offices are at Bangalore, Chennai, Ernakulum, Delhi, Chandigarh, Calcutta, Mumbai, Hyderabad and Vijayawada.

1. ACCOUNTING POLICIES**A) BASIS OF ACCOUNTING**

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) in India and presented under the historical cost convention on accrual basis of accounting to comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules 2006 and with the relevant provisions of the Companies Act, 2013. The Accounting policies applied by the Company are consistent with those used in the previous year.

B) REVENUE RECOGNITION

a) Revenue from sale of mattresses, pillows, etc are recognized and are recorded exclusive of Vat, Excise duty and sales discount which is generally on dispatch of goods.

b) Other income is recognized on receipt basis.

C) INVESTMENTS

Investments are stated at cost.

D) FIXED ASSETS : (AS10)

Tangible and Intangible Assets:

Tangible and Intangible assets are state at cost of acquisition (net of cenvat, wherever applicable) less accumulated depreciation. Cost is inclusive freight, duties and any directly attributable cost of bringing the assets to the working conditions for intended use. Losses or gains arising from the disposal of the tangible assets which are carried at cost are recognized in the statement of Profit & Loss Account.

E) DEPRECIATION AND AMORTISATION:

Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II. Accordingly the unamortised carrying value is being depreciated/amortised over the revised/remaining useful lives. The written down value of fixed assets whose lives have expired as at 1st April 2014 have been adjusted net of tax, in the opening balance of Profit & Loss Account amounting to Rs 5.81 lacs.

F) IMPAIRMENT OF FIXED ASSETS: (AS28)

Impairment, if any, on the value of assets is reviewed periodically and recognized, provided for in the accounts, when on such verification realizable value is found to be less than the book value.

G) INVENTORIES

Inventories are valued as under:

Raw materials – Cost (including freight, taxes and duties is net of credit under Vat and cenvat scheme where applicable.).

Finished goods – Net Billing Price

Work-in-Progress – At factory cost.

Damaged or obsolete stock determined at the end of each year is valued at NIL cost and the carrying cost of such damaged or obsolete stock is adjusted while valuing the inventories.

H) EMPLOYEE BENEFITS

a) Defined Contribution Plan:

Defined contribution plan consists of Government Provident fund scheme operated under statutory employees provident fund & miscellaneous provisions act and the scheme framed there under and Employees State Insurance Scheme. Company's contribution paid/payable during the year under these schemes are recognized as expense in the statement of Profit and Loss. There are no other obligations other than the contribution made by the company.

b) Retirement Plan:

Gratuity and leave encashment paid to employees on retirement is accounted on payment basis.

I) FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are accounted in rupees on the basis of the exchange rate prevalent on the date of payment/transaction.

J) TAXATION:

Tax expense comprises of current tax and deferred tax charge or credit. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. The deferred tax charge or credit is recognized using prevailing enacted or substantially enacted tax rate. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only, if there is virtual certainty of realization of such assets. Other Deferred tax assets are recognized only to the extent that there is a reasonable certainty of realization in future. Deferred tax assets/liabilities are reviewed as at each balance sheet date based on developments during the period and available case law to re-assess realization/liabilities. In view of the carry forward losses Income Tax under MAT is not applicable.

K) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS: (AS29)

A provision is recognized when the company has a present obligation as a result of past events: it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. The Company has made provisions in respect of outstanding Liabilities in full. The Contingent liabilities are not recognized but are disclosed in the notes to account, unless the possibility of an outflow of resources embodying the economic benefit is remote. The Contingent assets are neither recognized nor disclosed in the financial statements.

L) The Expenditure incurred for development, launching and branding of such products are captured separately and deferred to be written off equally over a period of five years from the following year of incurrence.

M) EVENTS OCCURRING AFTER THE DATE OF BALANCE SHEET:

Materials events occurring after date of balance sheet are taken into cognizance.

N) CASH & CASH EQUIVILANTS:

Cash comprises of cash on hand and demand deposits with bank. Cash equivalents are short term highly liquid investments, that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

O) EARNINGS PER SHARE:

The company reports basic and diluted earnings per share in accordance with the accounting standards-20-'Earnings per Share' prescribed by the companies (Accounting Standards) Rules 2006. Basic and diluted earnings per share are computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year.

P) Discontinuing operations (AS24), the company has not discontinued any operations during the year.

NOTES FORMING PART OF BALANCE SHEET

	As at 31.3.2015 ₹	As at 31.3.2014 ₹
NOTE NO : 2 SHARE CAPITAL		
Authorised:		
35000000 Equity shares of Rs 2/ each	7,00,00,000	7,00,00,000
	<u>7,00,00,000</u>	<u>7,00,00,000</u>
Issued: - Equity Shares:		
4985315 Shares of Rs.2/- each issued	99,70,630	99,70,630
	<u>99,70,630</u>	<u>99,70,630</u>
Subscribed, Called and Paid-up:		
Equity Shares:		
40000 Shares of Rs.2/- each issued pursuant to a contract without payment being received in cash	80,000	80,000
4841682 shares of Rs 2/-each issued as fully paid up for cash	96,83,364	96,83,364
98883 shares of Rs 2/-each allotted as fully paid up by way of bonus shares by capitalisation reserves	1,97,766	1,97,766
	<u>99,61,130</u>	<u>99,61,130</u>

	As at 31.03.2015	As at 31.03.2014
(a) Reconciliation of Number of Shares:		
Shares outstanding at the beginning of the year	49,80,565	49,80,565
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	49,80,565	49,80,565
(b) Shares held by each shareholder holding more than 5% shares	Nil	Nil
(c) Agreegate Number & Class of Shares		
	Number of shares	Class of shares
Year 2015	49,80,565	Equity
Year 2014	49,80,565	Equity
Year 2013	49,80,565	Equity
Year 2012	49,80,565	Equity
Year 2011	49,80,565	Equity

Rights, preferences and restrictions attached to shares:

The Company has only two class of shares i.e. Preference Shares and Equity Shares.

No preference shares are issued till the date of balance sheet. The equity shares having a face value of Rs 2/- per share. Each shareholder of equity shares is entitled to one vote per share. The dividend proposed by the Board of the Directors is subject to the approval of the shareholders at the ensuing annual general meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

The Company has not declared any dividend during the year.

NOTE NO : 3 RESERVES & SURPLUS

(a) Capital Reserve:		
share premium account as per balance sheet	3,750	3,750
Add: Additions during the year	--	--
	<u>3,750</u>	<u>3,750</u>
(b) Profit & Loss Account		
As per Last Balance Sheet	(82,10,098)	2,89,886
Add: Loss/Profit for the year after tax	23,93,600	(84,99,984)
Amount available for appropriations	(58,16,498)	(82,10,098)
Less: Adjustment relating to Fixed Assets (Refer Note No 1E)	(5,80,647)	--
Prior Period expenses	--	--
	<u>--</u>	<u>--</u>
Closing Balance	<u>(63,97,145)</u>	<u>(82,10,098)</u>
	<u>(63,93,395)</u>	<u>(82,06,348)</u>

NOTES FORMING PART OF BALANCE SHEET

	As at 31.3.2015 ₹	As at 31.3.2014 ₹
NOTE NO : 4 LONG TERM BORROWINGS		
1. From ICICI BANK CAR LOAN	4,12,928	5,97,066
Car loan taken on hire purchase repayable in 60 monthly payments at 10.25% interest		
NOTE NO : 5 LONG TERM PROVISIONS		
Provision for income tax	3,80,000	3,80,000
Note: Represents tax on book profit in respect of earlier year and is outstanding more than a year	3,80,000	3,80,000
NOTE NO : 6 SHORT TERM BORROWINGS		
A) SECURED LOANS		
1. From South Indian Bank Ltd		
Cash Credit. Repayable on demand	3,95,92,971	3,99,35,903
Nature of Security:		
Note:		
1. Collaterally secured by equitable mortgage of 2.95 acres of land with factory building at Ranipet, Tamilnadu, with a total limit of Rs 4.00 crores with monthly interest of 14.00% and hypothecation of stock and book debts Renewable on yearly basis		
B) UNSECURED LOANS:		
Inter-Corporate Deposits	57,97,973	54,37,973
Period of one year carries interest at 16% from a private limited company		
Note: There is no default in repayment of principal or interest thereon.		
	4,53,90,944	4,53,73,876
NOTE NO : 7 TRADE PAYABLE		
Due to Micro, small and medium enterprises	--	--
Others	1,85,59,337	2,31,29,267
Note:		
Dues to Micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected.		
NOTE NO : 8 OTHER CURRENT LIABILITIES		
Amount held in Trust	31,58,548	31,58,547
Due to Balanoor Plantations	2,50,000	2,50,000
Due to Jacob Mammen	50,99,863	-
Due to Malayala Manorama	50,000	50,000
	85,58,411	34,58,547
Prepaid expenses	15,29,319	13,69,183
Due to Provident Fund	20	19
Due to Managing Director	30,62,126	17,64,492
Payable towards Tds under Income Tax	2,38,680	2,76,976
Payable towards tax under Vat	20,70,111	21,72,339
Payable towards Excise	-	22,37,837
Others payable	15,26,461	23,37,416
Current maturities of term loan borrowing (Refer Note No. 4)	1,84,128	1,84,128
	86,10,845	1,03,42,390
	1,71,69,256	1,38,00,937

NOTE 9: FIXED ASSETS (TANGIBLE ASSETS)

Particulars	ORIGINAL COST				DEPRECIATION/AMORTISATION/DEPLETION				BALANCE	
	As at	Additions/	Deductions/	Total	Upto	For the Year	Deductions/	Total	As at	As at
	31.03.2014	Transfers	Transfers		31.3.2014	Depreciation	Adjustments		31.3.2015	31.3.2014
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
LAND	33,375	-	-	33,375	-	-	-	-	33,375	33,375
BUILDINGS	5,472,683	-	-	5,472,683	4,475,164	34,397	-	4,509,561	963,122	997,519
PLANT & MACHINERY	59,778,318	2,592,167	-	62,370,485	58,515,486	263,014	232,262	59,010,762	3,359,723	1,262,832
MOULDS	8,406,086	-	-	8,406,086	8,364,321	7,176	3,771	8,375,268	30,818	41,765
OFFICE & OTHER EQUIPMENTS	5,433,767	138,400	-	5,572,167	4,944,219	148,867	290,089	5,383,175	188,992	489,548
VEHICLES	1,823,840	-	-	1,823,840	972,009	147,427	-	1,119,436	704,404	851,831
FURNITURE & FIXTURES	4,023,633	53,381	-	4,077,014	2,572,980	193,239	54,525	2,820,744	1,256,270	1,450,653
TOTAL	84,971,702	2,783,948	-	87,755,650	79,844,179	794,120	580,647	81,218,946	6,536,704	5,127,523

NOTES FORMING PART OF BALANCE SHEET

	As at 31.3.2015	As at 31.3.2014
	₹	₹
NOTE NO : 10 LONG TERM LOANS AND ADVANCES		
Unsecured and Considered Good		
a) Sundry Deposits	13,74,311	15,65,010
b) Others	28,18,105	43,10,670
	41,92,416	58,75,680
NOTE NO : 11 OTHER CURRENT ASSETS		
	10,57,000	10,57,000
	10,57,000	10,57,000
Current Investments	Nil	Nil
NOTE NO : 12 INVENTORIES		
STOCK-IN-TRADE		
(At cost or market value/average realised price, whichever is lower)		
(As valued and certified by the Management)		
FINISHED GOODS	4,32,46,595	4,20,61,949
(As valued and certified by the Management)	4,32,46,595	4,20,61,949
NOTE NO : 13 TRADE RECEIVABLES		
UNSECURED, CONSIDERED GOOD		
Debts outstanding for a period exceeding six months:	19,42,500	19,42,500
Others - Considered Good	1,21,36,697	1,60,38,777
	1,40,79,197	1,79,81,277
NOTE NO : 14 CASH & BANK BALANCES		
Cash on hand	1,30,878	2,01,712
Balance in Current Accounts with Scheduled Banks	43,79,260	45,58,686
	45,10,138	47,60,398
NOTE NO : 15 SHORT TERM LOANS & ADVANCES		
Unsecured considered good		
Advances: Staff	3,91,707	3,97,106
Other Advances	1,13,58,323	77,31,829
Prepaid Expenses	99,553	34,599
	1,18,49,583	81,63,534

NOTES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

	Year Ended 31.3.2015 ₹	Year Ended 31.3.2014 ₹
<u>NOTE NO : 16 REVENUE FROM OPERATIONS</u>		
Sale of Products	20,54,84,258	20,32,72,680
Less: Excise Duty	2,29,95,181	2,23,73,074
	<u>18,24,89,077</u>	<u>18,08,99,606</u>
Less: Sales discount	45,46,832	21,59,854
	<u>17,79,42,245</u>	<u>17,87,39,752</u>
<u>NOTE NO : 17 OTHER INCOME</u>		
Interest Received	-	583
Others	10,72,701	5,21,607
	<u>10,72,701</u>	<u>5,22,190</u>
<u>NOTE NO : 18(A) COST OF MATERIALS CONSUMED</u>		
Consumption of Stores, Components & Spare Parts	7,57,28,389	7,77,85,610
	<u>7,57,28,389</u>	<u>7,77,85,610</u>
<u>NOTE NO : 18(B) PURCHASES OF STOCK IN TRADE</u>		
F G Purchases	37,46,335	31,06,884
<u>NOTE NO : 18(C) CHANGES IN INVENTORIES OF FINISHED GOODS</u>		
Stock at the Beginning of the Year		
Finished goods	4,04,53,486	4,41,40,128
Raw Materials	16,08,463	9,54,997
	<u>4,20,61,949</u>	<u>4,50,95,125</u>
Stock at the End of the Year		
Finished goods	4,21,38,267	4,04,53,486
Raw Materials	11,08,328	16,08,463
	<u>4,32,46,595</u>	<u>4,20,61,949</u>
	<u>(11,84,646)</u>	<u>30,33,176</u>
<u>NOTE NO : 19 EMPLOYEE BENEFITS EXPENSES</u>		
Salaries & Wages		
a) M. D's Salaries and Allowances	13,50,000	10,80,000
b) Salaries and allowances	1,14,28,337	1,11,73,853
c) Wages	1,01,66,291	95,89,176
d) Company's Contribution to Staff & workers PF admn charges	2,09,112	1,85,333
e) Company's Contribution to Staff & workers PF Fund	17,65,461	16,81,834
f) Company's Contribution to ESI	1,60,225	2,23,620
g) Welfare Expenses	18,94,156	21,35,733
h) Bonus	2,63,292	2,85,246
i) Gratuity	4,86,389	18,87,049
	<u>2,77,23,263</u>	<u>2,82,41,844</u>
<u>NOTE NO : 20 OTHER EXPENSES</u>		
a) Repairs & Maintenance		
Buildings	17,26,121	16,98,936
Machinery	22,26,734	15,48,089
	<u>39,52,855</u>	<u>32,47,025</u>

NOTES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

	Year Ended 31.3.2015 ₹	Year Ended 31.3.2014 ₹
NOTE NO : 20 OTHER EXPENSES (Contd...)		
b) Miscellaneous Expenses		
Advertisement expenses	20,12,790	19,76,925
Auditors travelling expenses	17,443	2,500
Bank Charges	3,49,837	3,43,550
Registration Expenses	14,017	27,895
Sitting Fee	5,000	5,000
Conference and Seminar Expense	7,500	15,000
Service Tax on Transport of Goods	47,722	4,77,470
	<u>24,54,309</u>	<u>28,48,340</u>
Insurance	2,60,894	2,88,912
Rates and Taxes	5,25,244	3,67,520
Travelling and Conveyance	53,07,441	53,11,067
Freight expenses	86,96,404	1,04,35,564
Rent	61,66,254	83,01,868
Professional Charges	33,90,976	34,35,669
Sales Promotion Expenses	19,48,040	35,23,300
Fabrication Charges	15,72,284	15,85,128
Turnover Discount	67,26,180	81,48,394
Vehicle Maintainance	3,72,373	3,60,989
Audit fee	1,00,000	1,00,000
Consumption of spares	3,80,629	5,76,501
Watch & Ward Expenses	7,09,909	7,91,461
Power and Fuel	70,39,339	1,01,26,793
Stiching Charges	9,08,349	8,06,548
Telephone Expenses	7,46,713	8,36,881
Commission on sales	19,92,667	18,475
Postage Expenses	8,70,945	4,31,032
Printing & Stationery	9,41,834	7,93,657
Prompt Payment Discount	27,87,881	25,46,434
Manufacturing Expenses	3,70,300	3,22,200
Other Expenses	38,47,404	26,78,191
Inward Freight R M Local & Inport	10,28,988	3,20,924
	<u>5,66,91,048</u>	<u>6,21,07,508</u>
	<u>6,30,98,212</u>	<u>6,82,02,873</u>
NOTE NO : 21 FINANCE COSTS		
Interest on Bank Borrowings	67,20,848	61,44,192
	<u>67,20,848</u>	<u>61,44,192</u>

22 ADDITIONAL NOTES (FORMING INTEGRAL PART OF ACCOUNTS)

- 22.1 The balance in Sundry Debtors is subject to confirmations.
- 22.2 Deferred Taxation: The deferred tax liability of -Rs. 65,952/- ascertained during the year in accordance with AS-22 "Accounting for Taxes on Income" issued by ICAI, in respect of timing difference of depreciation not provided in view of carry forward loss and unabsorbed depreciation of earlier years.
- 22.3 In the absence of any intimation received from vendors regarding the status of their registration under the "Micro, Small and Medium Enterprises Development Act 2006 the company is unable to comply with the disclosures to be made under the said Act.
- 22.4 The Company's claim for refund of excise duty amounting to Rs 216.55 lakhs along with applicable interest till the date of refund preferred in earlier years before the Central Excise Authorities are still pending.
- 22.5 Closing Stock of inventory pertaining to finished products comprising of different individual products is valued at such products' net billing price as it not possible to ascertain cost for each such product.
- 22.6 Company is in the process of ascertaining of the impairment, if any, on any of the fixed assets and subject to such ascertainment, no recognition during the year is made in the accounts for impairment of fixed assets.
- 22.7 In respect of gratuity accrued the company has not ascertained or provided in the accounts. Further company has not ascertained accrued leave cash benefits payable to its employees. The company accounts both gratuity and leave encashment as and when paid.
- 22.8. Related party disclosures :
- Related party disclosures as required are as given below.
List of related party
- 22.8.1 Public Limited Company in which some of the directors of our company are directors of that company
M/s. Balanoor Plantations & Industries Ltd.,
M/s Malayala Manorama Co. Ltd
- 22.8.2 Key managerial personnel
Mr. Roy Mammen – Managing Director
Mr. Mammen Philip – Director Corporate Affairs
- 22.8.3 The following transactions were carried out with the related party in its ordinary course of business.
With key management personnel
Remuneration paid – Managing Director Rs. 14,85,000/-
Advisory fees paid- Director Corporate Affairs Rs. 2,07,000/-
- 22.9 **VALUE OF IMPORTS**
Value of imports calculated on CIF basis-
- | | |
|---|-------------------|
| (i) Capital Goods | NIL |
| (ii) Purchase of latex foam rubber sheets | Rs. 1,35,79,823/- |
- 22.10 **EXPENDITURE IN FOREIGN CURRENCY (CASH BASIS)**
- | | |
|-------------------|-----------------|
| (a) Other matters | Rs. 14,84,177/- |
|-------------------|-----------------|
- 22.11 Previous year's figures have been suitably reclassified, wherever required.

As per our Report of even date
For S R Mandre & Co
Chartered Accountants
Firm Reg No. 001962S

Place : Bangalore
Date : 29.05.2015

ROY MAMMEN
Managing Director

ASHOK KURIYAN JACOB MAMMEN
Director Director

(B S DINESH)
Partner
Membership No 29624

Voucher No 1	Voucher No 2	Voucher No 3
NAME OF SHAREHOLDER	NAME OF SHAREHOLDER	NAME OF SHAREHOLDER
FOLIO NO. FOR SHARES HELD	FOLIO NO. FOR SHARES HELD	FOLIO NO. FOR SHARES HELD
ADDRESS	ADDRESS	ADDRESS
SIGNATURE OF SHAREHOLDER	SIGNATURE OF SHAREHOLDER	SIGNATURE OF SHAREHOLDER



DISCOUNT*
**(Sale tax and other
local taxes as applicable)**

Valid upto 31st March 2016

This voucher entitles the shareholders to three purchases (upto Rs. 10,000/- per voucher) only of MM Foam at 15% discount from any one of the service centres listed below.

This voucher is to be filled in by the shareholder and surrendered at the time of placing of the order. The service centres listed below will also accept outstation orders by letter provided the shareholder pays the freight involved and sends a draft for the full amount before despatch.

*on MRP Rate

Service Centres authorised to accept this voucher :

mm
FOAM **Service Centres**

- 1 84, SIDCO Industrial Estate, Ambattur, Chennai - 600 098 (Phone : 42080042)
- 1 97, F.I.E, Patparganj Industrial Area, New Delhi - 110 092 (Phone : 22158630/22158631)
- 1 Gate No. 1, Opp. R. Station Daria. Chandigarh (Phone : 2650999)
- 1 4-1-1018, 16-18 Ramkoti Tilak Road, Hyderabad 500 001 (Phone : 24761266)
- 1 45, Gubbanna Industrial Area, VI Block, Rajaji Nagar, Bangalore - 560 010 (Phone : 23150671)
- 1 No. 41/2206, Veekshanam Road, Opp. Veekshanam Press, Cochin 682 018. (Phone : 4047477)
- 1 32-28-1/1, Veeranna Street, Maruthinagar, Vijayawada - 520 004 (Phone : 2441455)

