

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

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

The Directors have pleasure in presenting before you the 53rd Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March 2019.

COMPANY 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, 2019 ₹ in Lakhs	Financial year ended March 31, 2018 ₹ in Lakhs
Revenue from Operations	2998.93	2591.90
Other Income	1.79	4.68
Profit before Exceptional Items and Tax	59.58	44.60
Exceptional Items (Expenses)/Income	-	-
Profit before tax	59.58	44.60
Less: Taxation		
Current tax	12.00	3.00
Deferred Tax(credit)/Debit	-	11.48
Profit for the year	47.58	30.11
Total other comprehensive income (net of tax)	-	-148.50
Total Comprehensive income for the year	47.58	-118.39

OPERATIONS & PERFORMANCE:

Your directors are happy to inform that the company has maintained and in fact increased its turnover by 15.70% as compared to previous year. However, the Company's profitability remains the same despite higher turnover compare to the previous year is mainly due to the active participation in the digital marketing and advertising, and the Company has spent a substantial amount as compared to previous year which will benefit the Company in the long run.

PROSPECTS:

The work at company's own premises at Ranipet is completed and the Company has started production of latex Rubber sheet. However, shifting of machinery from its unit at Chennai to Ranipet is still pending which will be done during the coming year. There by the company will be able to produce more and also reduce its overheads and will discontinue import of latex rubber sheets shortly. Your directors are confident that with this move, company's turnover and the profitability would improve in the coming year.

DIVIDEND:

As already indicated above, by shifting to Ranipet the company is expected to improve its performance and post healthy profit in the coming year.

CAPITAL STRUCTURE:**a. BUY BACK OF SECURITIES:**

The Company has not bought back any of its securities during the year under review.

b. SWEAT EQUITY:

The Company has not issued any Sweat Equity Shares during the year under review.

c. BONUS SHARES:

No Bonus Shares were issued during the year under review.

d. RIGHTS ISSUE:

The Company has not issued any Rights issue during the year under review.

e. EMPLOYEES STOCK OPTION PLAN:

The Company has not provided any Stock Option Scheme to the employees.

f. SHARES WITH DIFFERENTIAL RIGHTS:

The Company has not issued any shares with Differential Rights for the year under review.

LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the year 2019-20 to BSE Limited where the Company's Shares are listed.

DEMATERIALIZATION OF SHARES:

Your company's 48.77% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2019 and balance 51.23% is in physical form. The Company's Registrars and Transfer Agent is M/s. CAMEO CORPORATE SERVICES LIMITED having their registered office at "Subramanian Building", No.1, Club House Road, Chennai – 600002.

DIRECTORS & KEY MANAGERIAL PERSONNEL:

As on March 31, 2019, your Board comprises of 6 Directors including 2 Independent Directors. Mr. Jacob Mammen (DIN 00078010) and Mr. Karun Philip (DIN 01091468) Directors of the company retire by rotation and are eligible for reappointment.

DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149 of the Act, and the SEBI LODR.

BOARD & PERFORMANCE EVALUATION:

During the year, the Board has carried out the annual evaluation of its own performance, the performance of the Directors individually as well as the evaluation of Committees of Board.

NOMINATION AND REMUNERATION POLICY:

The Nomination and Remuneration Committee of Directors reviews the composition of the Board to ensure an appropriate mix of abilities, experience and diversity to serve the interests of all shareholders of the Company.

Nomination and Remuneration Policy was approved by the Board at its meeting held on 30.05.2018. In terms of Section 178 of the Act, 2013. The objective of such policy shall be to attract, retain and motivate executive management and remuneration structured to link to Company's Strategic long-term goals, appropriateness, relevance and risk appetite of the company.

The Process of appointing a director/Key Managerial Personal is that when there is a need or a vacancy arises, or is expected, the NRC will identify, ascertain the integrity, qualification, appropriate expertise and experience, having regard to the skills that the candidate will bring to the board in addition to what the existing members hold.

NUMBER OF BOARD MEETINGS HELD:

The Board of Directors duly met five times during the financial year from 1st April, 2018 to 31st March, 2019. The dates on which the meetings were held are as follows:

Date of meeting	No. of directors as on the date	No. of Directors Present
30.05.2018	6	6
13.08.2018	6	4
26.09.2018	6	4
02.11.2018	6	5
04.02.2019	6	5

NUMBER OF AUDIT COMMITTEE MEETINGS HELD:

The Committee consisting of three Directors namely Mr. Ashok Kuriyan, Independent Director, Mr. Jacob Mammen, Director and Mrs. Susan Kurian, Independent Director:

Date of Committee Meeting	No. of Member as on date	No. of Members Present
30.05.2018	3	3
13.08.2018	3	2
02.11.2018	3	3
04.02.2019	3	3

DIRECTORS RESPONSIBILITY STATEMENT:

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

- In the preparation of the annual accounts for the year ended 31st March, 2019, the applicable accounting standards have been followed and there are no material departures;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the same period;

- 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 2018-19.

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 2018-19 in lakhs	Remuneration paid FY 2017-18 in lakhs	Increase in remuneration from previous year in lakhs	Ratio/Times per Median of employee remuneration
1.	Mr. Roy Mammen	Managing Director	56.73	33.81	22.92	22.53
2.	Mr. Mammen Philip	Director Corporate Affairs	2.07	2.07	-	-0.14
3.	Mr. Machimada Muddappa Kushalappa	Chief Financial Officer	1.24	-	1.24	-0.48
4.	Ms. Sharvari Sham Kulkarni	Company Secretary	1.14	-	1.14	-0.53

AUDIT OBSERVATIONS:

i) Statutory Auditors :

The Auditors, Messrs. Vandana Rao and Company, (Firm Registration No.011628S), Chartered Accountants, were appointed as Statutory Auditors of the Company for a period of five consecutive years at the Annual General Meeting held on 27th September 2017, who shall hold office until the conclusion of the 56th annual general meeting to be held for the financial year 2021-22 . As per section 139 of the Companies Act, 2013, the appointment needs to be ratified at every annual general meeting by the members. Directors recommended for ratification of the appointment of auditors made on 27.09.2017.

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 reservation or adverse remark.

The 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 2018-19 till the date of this report. Further there was no change in the nature of the business of the company.

ii) Cost Auditors:

Since the Company's turnover has not exceeded Rs. 35 crores in the previous financial years, the cost audit is not applicable.

iii) Secretarial Auditor:

M/s. Akshay G and Associates, Bengaluru was appointed as Secretarial Auditor for carrying out the secretarial audit for the financial year 2018-19.

As required under 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.

iv) Internal Auditor:

Pursuant to the provisions of Section 138 of the Act and the Rules thereunder, your Board had appointed M/s. S.R. Mandre and Co., Chartered Accountants, Bangalore as Internal Auditors of the Company for the FY 2018-19.

INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY:

Company does not have any Subsidiary, Joint venture or Associate Company during the period under review.

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.31 to the financial statement which sets out related party disclosures.

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.

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 memory mattress memorise and ortho bond mattress, contour pillow, hemorrhoid cushions, neck care 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.

DEPOSITS:

During the year under review, the Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Act, read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or reenactment(s) thereof for the time being in force.

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**.

DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY:

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

POLICY ON VIGIL MECHANISM:

The Audit committee has adopted a policy on vigil Mechanism in accordance with the provisions of the Act, 2013 and Regulation 22 of SEBI (LODR) Regulations, which provides a formal mechanism for all Directors, employees and other stakeholders of the company to report to the management, their genuine concerns or grievances about unethical behaviors, actual or suspected fraud and any violation of the Company's Code of Conduct or ethics policy.

The policy also provides a direct access to the Chairperson of the Audit Committee to make protective disclosures to the Management about grievances or violation of the Company's code of conduct.

The policy disclosed on the Company's website in the following link www.mmfoam.in

ORDER OF COURT:

No material orders had been passed by the regulators or courts or Tribunals.

CORPORATE SOCIAL RESPONSIBILITY:

The provisions for corporate social responsibility ("CSR") under the Companies Act, 2013, are not applicable to the company for the current financial year.

INTERNAL FINANCIAL CONTROL:

The Internal Financial Control with reference to financial statements were operating effectively.

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: 30.05.2019

ASHOK KURIYAN
Director
(DIN: 00081374)

ROY MAMMEN
Managing Director
(DIN: 00077409)

ANNEXURE – A

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2019

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

To,
The 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/s. M. M. RUBBER COMPANY LIMITED (herein after 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/s. M. M. RUBBER COMPANY LIMITED'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 opinion, the company has, during the audit period covering the financial year ended on 31.03.2019 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 31.03.2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Companies (Amendment) Act, 2017;
- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iv) The Depositories Act, 1996 and the Regulations and Byelaws framed there under;
- (v) Foreign Exchange Management Act, 1999 and the rules/regulations made there under;
- (vi) 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vii) Other laws as may be applicable specifically to the company.

NIL

I have also examined compliance with the applicable Regulations/Standards of the following:

- i) The Listing Agreement entered into by the Company with Bombay Stock Exchange Limited under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- ii) The Secretarial Standards (SS-1) for Board Meeting and Secretarial Standards (SS-2) for General Meeting including revised SS-1 and SS-2 issued by The Institute of Company Secretaries of India.

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:

I further report that the Board of Directors of the Company is constituted with Executive Director, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

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.

Name of Company Secretary in practice: G. Akshay & Associates

Place: Bangalore
Date : 30.05.2019

ACS No: A41957
C. P. No: 15584

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 31.03.2019

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 – 560 001, Karnataka
vi	Whether listed company : Yes (Listed in BSE Limited)
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):**(i) Categorywise Share Holding :**

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	-	180158	180158	3.6172	101830	63428	165258	3.3180	-0.2991
b) Central Govt.or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other Directors and their relatives	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)	-	180158	180158	3.6172	101830	63428	165258	3.3180	-0.2991
(2) Foreign									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	-	180158	180158	3.6172	101830	63428	165258	3.3180	-0.2991
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	700	700	0.0140	-	700	700	0.0140	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1)	-	700	700	0.0140	-	700	700	0.0140	-
(2) Non Institutions									
a) Bodies corporates	94930	402363	497293	9.9846	87297	402218	489515	9.8285	-0.1561
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakhs	1487213	2000028	3487241	70.0169	1702700	1819721	3522421	70.7233	0.7063
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	434850	181114	615964	12.3673	453700	181114	634814	12.7458	0.3784
c) Any Other (specify)									
i) Hindu undivided families	60399	200	60599	1.2167	-	-	-	0.0000	-1.2167
ii) Clearing members	3000	-	3000	0.0602	1776	-	1776	0.0356	-0.0245
iii) NRIs	51164	84055	135219	2.7149	42068	84455	126523	2.5403	-0.1745
iv) Resident HUF	-	-	-	0.0000	39167	-	39167	0.7863	0.7863
d) Foreign Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Trusts	191	200	391	0.0078	191	200	391	0.0078	-
SUB TOTAL (B)(2)	2131747	2667960	4799707	96.3687	2326899	2487708	4814607	96.6678	0.2991
Total Public Shareholding (B)= (B)(1)+(B)(2)	2131747	2668660	4800407	96.3827	2326899	2488408	4815307	96.6819	0.2991
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2131747	2848818	4980565	100.0000	2428729	2551836	4980565	100.0000	-

(ii) Share Holding of Promoters :

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in 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	Mr.Mammen Philip	95363	1.915	-	95363	1.915	-	-
2.	Ms. Meera Philip & Mr. Peter Philip	66195	1.329	-	66195	1.329	-	-
3.	Mr. Peter Philip	3700	0.0742	-	3700	0.0742	-	-
4.	Mr. Rohit Philip	11390	0.2286	-	-	-	-	-0.2286
5.	Mrs. Divya Philip	3510	0.0704	-	-	-	-	-0.0704

(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	180,158	3.617	165,258	3.318
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.)	Change in the promoter's shareholding due to reclassification of shares from promoter's category to public			
3	At the end of the year	180,158	3.617	165,258	3.318

(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	Mr. Naveen Bothra	384650	7.7230	400000	8.0312
2	M/S. M M Housing Private Ltd	86354	1.7338	86354	1.7338
3	M/S. Devon Plantations & Industries Limited	82814	1.6627	82814	1.6627
4	M/S. Badra Estates & Industries Ltd	70000	1.4054	70000	1.4054
5	M/S. Balanoor Plantations & Industries Ltd	67850	1.3622	67850	1.3622
6	Mr. Arun Mammen	52500	1.0540	52500	1.0540
7	Mr. Sharad Kanayalal Shah Jt1 : Varsha Sharad Shah Jt2 : Dipak Kanayalal Shah	0	0	53700	1.0781
8	M/S. Stable Investments & Fin. Co.	50000	1.0039	50000	1.0039
9	Mr. Jainam Uday Shah	0	0	41200	0.8272
10	Mrs. Thankamma Simon	40410	0.8113	40410	0.8113

(v) Shareholding of Directors and Key Managerial Personnel :

Sl.No.	For Each of the Directors & KMP	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
	Shareholding of Key Managerial Personnel :				
1	MR. ROY MAMMEN	14256	0.2861	14256	0.2861
2	MR. MAMMEN PHILIP	95363	1.9145	95363	1.9145
	Shareholding of Directors :				
3	MRS. SUSAN KURIAN	7000	0.1405	7000	0.1405
4	MR. JACOB MAMMEN	6899	0.139	8199	0.165
5	MR. ASHOK KURIYAN	3275	0.0657	3275	0.0657
6	MR. KARUN PHILLIP	74259	1.4909	74259	1.4909

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	540.09	20.00	-	560.09
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	540.09	20.00	-	560.09
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	31.58	-	-	31.58
Net Change	31.58	-	-	31.58
Indebtedness at the end of the financial year				
i) Principal Amount	508.51	20.00	-	528.51
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	508.51	20.00	-	528.51

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

(In lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager/ Company Secretary/ CFO				Total
		Mr. Roy Mammen (Managing Director)	Mr. Mammen Philip (Director Corporate Affairs)	Mr. Machimada Muddappa Kushalappa (CFO)	Ms. Sharvari Sham Kulkarni (Company Secretary)	
1.	Gross salary					
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	20.40	2.07	1.24	1.14	24.85
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	36.33	-	-	-	36.33
	(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 committee meetings)	-	-	-	-	-
	Total (A)	56.73	2.07	1.24	1.14	61.18

B) Remuneration to other directors:

(In lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Ashok kuriyan	Mr. Jacob Mammen	Mr. Karun Philip	Mrs. Susan Kurian	
1.	Independent Directors					
	• Fee for attending committee meetings	0.090	-	-	0.070	0.160
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	0.090	-	-	0.070	0.160
2.	Other Non-Executive Directors					
	• Fee for attending -Board committee meetings	-	0.090	0.080	-	0.170
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	-	0.090	0.080	-	0.170
	Total = (1 + 2)	0.090	0.090	0.080	0.070	0.330
1.	Income-tax Act, 1961 Profits under in lieu section of salary 17 (3) of the Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission					
	- as % of profit	-	-	-	-	-
	- others, please specify	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	Total	0.090	0.090	0.080	0.070	0.330

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		

FORM NO. AOC.2

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

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

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

M. M. Rubber Company Limited has not entered into any contract/arrangement/transaction with its related parties which is not in ordinary course of business or at arm's length during FY 2018-19.

- (a) Name(s) of the related party and nature of relationship-Not applicable.
- (b) Nature of contracts/arrangements/transactions-Not applicable.
- (c) Duration of the contracts/arrangements/transactions-Not applicable.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any-Not applicable.
- (e) Justification for entering into such contracts or arrangements or transactions-Not applicable.
- (f) Date(s) of approval by the Board-Not applicable.
- (g) Amount paid as advances, if any: -Not applicable.
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188-
Not Applicable.

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

- (a) Name(s) of the related party and nature of relationship- Not applicable.
- (b) Nature of contracts/arrangements/transactions- Not applicable.
- (c) Duration of the contracts/arrangements/transactions- Not applicable.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: - Not applicable.
- (e) Date(s) of approval by the Board, if any: - Not applicable.
- (f) Amount paid as advances, if any: - Not applicable.

Form shall be signed by the persons who have signed the Board's report.

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: 30.05.2019

ASHOK KURIYAN
Director
(DIN: 00081374)

ROY MAMMEN
Managing Director
(DIN: 00077409)

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 its being declared 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) As already reported, the Company has completed the verification of continuing assets which are in use after the closure of the BOPP division. However, the company is in the process of shifting its production facilities to its own premises at Ranipet shortly. Pending the shifting, the company is yet to ascertain the impairment of assets 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.

PLACE: BANGALORE
DATE: 30.05.2019

ASHOK KURIYAN
Director
(DIN No. 00081374)

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

ROY MAMMEN
Managing Director
(DIN No. 00077409)

INDEPENDENT AUDITORS' REPORT

To The Members of M M Rubber Company Limited

Report on the Audit of the Financial Statements:

Qualified Opinion

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 2019, the Statement of Profit & Loss (including Other Comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and the other explanatory information. (Hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for disclosure of the information referred to in the Basis for Qualified Opinion section of our report, the aforesaid 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) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

As discussed in

1. Note No. 35 to the **Ind AS** financial statements the Company's **valuation of finished goods for the reasons stated in Note is not valued as per Indian Accounting Standard No.2** as at 31 March 2019.
2. Note No.36 to the Ind AS financial statements **Ind AS Accounting Standard No.19 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 at 31 March 2019.
3. Note No.37 to the Ind AS financial statements, **in the absence of updation of Fixed Asset Register, the company is in the process of ascertaining the impairment, if any, on any of the fixed assets, to this extent, Ind AS Accounting Standard No.36 (Impairment of fixed assets) has not been complied.**
4. **The balances in Sundry Debtors and Sundry Creditors is subject to confirmation.**
5. In the absence of sufficient appropriate evidence, we are unable to comment upon the consequential impact if any on the accompanying Ind AS financial statements.

The financial statements do not adequately disclose this matter. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules 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 financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

Sl No.	Key Audit Matters	Auditor's Response
1	<p>Contingent liability on account of Indirect Taxes Payable</p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes</p> <p>Refer Note No. 29(a) of the Financial Statements</p>	<p>Principal Audit Procedures</p> <p>We have involved our Internal experts to review the nature of the amounts payable, the sustainability and the likelihood of liability upon final resolution.</p> <p>Company's appeal against the liability has been allowed as per the Final order No. 43171/2018 Dated 31.12.18 passed by Customs, excise & service Tax Appellate Tribunal South Zonal bench, Chennai.</p>

Sl No.	Key Audit Matters	Auditor's Response
2	<p>Shifting of Operations to Ranipet, Tamil Nadu</p> <p>The Company is in process of closing its operation in Chennai factory and shifting of Machinery to the Company owned plant at Ranipet to reduce the burden of overheads</p> <p>Refer Note No. 29(b) of the Financial Statements</p>	<p>Principal Audit Procedures</p> <p>Obtained an understanding of the significant management judgements applied in shifting of operations from Chennai to Ranipet and assessed and tested the reasonableness of these judgements.</p> <p>Assessed the appropriateness of the disclosure in the financial statements in accordance with the applicable financial reporting framework.</p>

Information Other than the 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, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) . This responsibility also includes maintenance of adequate accounting records in accordance with the provision 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 the 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 Ind AS financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

In preparing the 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.

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

Auditor's Responsibilities for the Audit of the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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 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, based on our audit we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit & Loss including other comprehensive income, the Cash Flow statement and statement of changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the financial statements.
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of Act, except for disclosure of the information referred to in the Basis for Qualified Opinion section of our report read with relevant Rules thereunder:
 - e) On the basis of the written representations received from the directors as on 31st March 2019 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.
 - 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 B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - 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/provided 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, as amended 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 31,2019.
 - 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 in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("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' a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

For **M/s. Vandana Rao And Company**
Chartered Accountants
FRN No 011628S

(CA. VANDANA.S.RAO)
Proprietrix
Membership No 218797

Place : Bangalore
Date : 30.05.2019

ANNEXURE 'A' 'TO THE AUDITOR'S REPORT'

Annexure referred to in Independent Auditor's Report to the members of the company on the financial statements for the year ended 31st March 2019, we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets; however, such Fixed Asset records do not show updated value both in respect of Gross Block and Net Block
- (b) The Fixed assets were physically verified by the management 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.
- (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 are held in the name of the company.
- (ii) The Inventory has been physically verified during the year by the management at reasonable intervals. There were no material discrepancies noticed on such physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act,2013. Hence sub clauses (a) (b) and (c) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to loans, making investments, and providing guarantees and securities made.
- (v) According to information and explanations given to us, the Company has not accepted any public deposit during the year and does not have any unclaimed deposit. There have been no instances where order has been passed by Company Law Board or National Company Law Tribunal for any contravention.
- (vi) Having regard to the nature of the Company's business/activities, reporting under clause (VI) of the order with regard to cost records is not applicable.
- (vii) (a) According to the information and explanations given to us, and on the basis of our examination of the records of the company has generally been regular in depositing amounts deducted/accrued in the books of account in respect of the undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Income-Tax, GST, Customs Duty, Excise Duty, Service tax, Cess and other statutory dues with the appropriate authorities. There were no undisputed amounts payable in respect of Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Income-Tax, GST, Customs Duty, Excise Duty,

Service tax, Cess and other statutory dues with appropriate authorities, There were no undisputed amount payable in respect of provident fund, Investor Education & Protection Fund, Employees State Insurance, Income-Tax, GST, Customs Duty, Excise Duty, Service tax, Cess and other statutory dues were in arrears as at 31st March 2019, for a period of more than six months from the date they became payable.

(b) The details of due of excise duty, which have not been deposited as on 31st March 2019, 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

- (viii) In our opinion and according to information and explanations given to us, the company has not defaulted in repayment of dues to any financial institutions, banks. The Company has not issued any debentures.
- (ix) The company did not raise any money by way of initial public offer including Debt instrument or further public offer or term loans during the year.
- (x) According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the company, the company has complied with the requisite approvals mandated by the provisions of the section 197 read with schedule 5 to the Act.
- (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 is 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 section 177 and 188 of the Act where applicable and details of such transactions has been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placements of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examinations of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them, and hence provisions of section 192 of the companies Act, 2013 are not applicable to the Company.
- (xvi) The company is not required to be registered under section 45 – 1A of the Reserve Bank of India Act, 1934

For M/s. Vandana Rao And Company
Chartered Accountants
FRN No 011628S
(CA. VANDANA.S.RAO)
Proprietrix
Membership No 218797

Place : Bangalore
Date : 30.05.2019

ANNEXURE 'B' TO THE AUDITOR'S REPORT:

Report on the Internal Financial Controls Over Financial reporting under clause (i) of sub section 3 of section 143 of the Companies Act, 2013(the Act)

We have audited the internal financial controls over financial reporting of M. M. Rubber Co Ltd (the Company) as of 31st March 2019 in conjunction with our audit of the 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 the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of the 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 Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note on Audit of Internal Financial Controls Over Financial reporting issued by the Institute of Chartered Accountants of India to the extent applicable to an audit of Internal Financial controls. Those Standards and the Guidance Note require that we comply with the 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 auditors' 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 controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion:

- a) **The Company has in its books fixed assets with Gross block to the tune of Rs. 17,67,91,996/- and net block of Rs. 8,58,63,650/-. However, the fixed assets records do not show updated value both in respect of the Gross Block and Net Block.**

Opinion:

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an Internal Financial Controls with reference to financial statements over financial reporting subject to qualified opinion above and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on audit of Internal Financial Controls over financial reporting issued by the Institute of Chartered Accountants of India.

For **M/s. Vandana Rao And Company**
Chartered Accountants
FRN No 011628S

(CA.VANDANA.S.RAO)
Proprietrix
Membership No 218797

Place : Bangalore
Date : 30.05.2019

BALANCE SHEET AS AT 31ST MARCH 2019

Particulars	Note No.	As at March 31, 2019 ₹	As at March 31, 2018 ₹
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	85,863,650	86,078,061
(b) Financial assets			
(i) Investments	3	8,567	8,567
(ii) Other financial assets	4	812,662	820,641
(c) Deferred tax assets		-	-
(d) Other non-current assets	5	9,073,703	8,426,592
Total Non-current assets		95,758,582	95,333,861
Current assets			
(a) Inventories	6	43,205,211	38,784,867
(b) Financial assets			
(i) Trade receivables	7	20,579,041	28,551,915
(ii) Cash and cash equivalents	8	5,463,354	3,857,762
(iii) Other Bank balances	8	200,000	200,000
(iv) Other financial assets	9	2,024,391	2,210,525
Total Current assets		71,471,997	73,605,069
TOTAL ASSETS		167,230,579	168,938,930
I. EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	10	9,961,130	9,961,130
(b) Other equity	11	56,573,739	51,815,311
TOTAL EQUITY		66,534,869	61,776,441
II. LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	10,112,434	13,389,825
(b) Deferred tax liabilities (net)	13	14,887,018	14,887,018
Total Non current liabilities		24,999,452	28,276,843
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	39,657,011	40,241,018
(ii) Trade payables			
(i) micro and small enterprises, and	15	800,968	-
(ii) other than micro and small enterprises	15	19,789,802	25,485,651
(iii) Other Financial Liabilities	16	13,212,574	11,710,407
(b) Other current liabilities	17	2,235,903	1,448,570
(c) Current Tax Liabilities (Net)	18	-	-
Total Current liabilities		75,696,258	78,885,646
TOTAL EQUITY AND LIABILITIES		167,230,579	168,938,930

As per our Report of even date
For Vandana Rao And Company
Chartered Accountants
FRN NO 011628S

CA.VANDANA S RAO
PROPRIETRIX
Membership No. : 218797
PLACE : BANGALORE
DATE : 30.05.2019

ROY MAMMEN
MANAGING DIRECTOR

MACHIMADA MUDDAPPA KUSHALAPPA
CHIEF FINANCIAL OFFICER

For and on behalf of the Board

SUSAN KURIAN
DIRECTOR

ASHOK KURIYAN
DIRECTOR

SHARVARI SHAM KULKARNI
COMPANY SECRETARY

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2019

Particulars	Note No.	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
I Revenue from operations	19	299,893,564	259,190,304
II Other income	20	179,341	468,334
III Total revenue (I + II)		<u>300,072,905</u>	<u>259,658,638</u>
IV Expenses:			
Purchases of stock in trade	21	135,010,381	116,260,034
Changes in inventories of finished goods, work in progress and Stock-in-Trade	22	(4,420,344)	2,301,024
		<u>130,590,037</u>	118,561,058
Employee benefits expense	23	47,042,313	37,910,733
Finance costs	24	6,139,248	6,217,384
Depreciation and amortization expense	25	3,423,859	2,877,619
Other expenses	26	106,919,020	89,632,250
		<u>294,114,477</u>	<u>255,199,044</u>
Less: expenses capitalised		-	-
Total expenses		<u>294,114,477</u>	<u>255,199,044</u>
V Profit before exceptional and extraordinary items and tax (III-IV)		5,958,428	4,459,594
VI Exceptional Items		-	-
VII Profit before extraordinary items and tax (V-VI)		5,958,428	4,459,594
VIII Extraordinary items		-	-
IX Profit before tax (VII-VIII)		5,958,428	4,459,594
X Tax expense:			
Current tax		1,200,000	300,000
Deferred tax		-	1,148,345
		<u>1,200,000</u>	<u>1,448,345</u>
XI Profit for the year from continuing operations (IX-X)		4,758,428	3,011,249
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit/(loss) from discontinuing operations (after tax) (XII-XIII)		-	-
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
a) Revaluation of property, plant and equipment		-	(20,000,000)
b) Taxes on above		-	5,150,000
(ii) Items that may be reclassified to profit or loss			
a) Mark to Market of Investments		-	-
b) Taxes on above		-	(14,850,000)
		<u>4,758,428</u>	<u>(11,838,751)</u>
XV Profit/(Loss) for the year (XI + XIV)		4,758,428	(11,838,751)
XVI Earning per equity share before exceptional item:	28	0.96	0.60
Basic & diluted (in ₹)			
XVII Earning per equity share after : exceptional item	28	0.96	0.60
Basic & diluted (in ₹)			
Paid up value per share		2	2
Significant accounting policies and notes attached form an integral part of the financial statements			

As per our Report of even date
For Vandana Rao And Company
Chartered Accountants
FRN NO 011628S

For and on behalf of the Board

ROY MAMMEN
MANAGING DIRECTOR

SUSAN KURIAN
DIRECTOR

ASHOK KURIYAN
DIRECTOR

CA.VANDANA S RAO
PROPRIETRIX
Membership No. : 218797
PLACE : BANGALORE
DATE : 30.05.2019

MACHIMADA MUDDAPPA KUSHALAPPA
CHIEF FINANCIAL OFFICER

SHARVARI SHAM KULKARNI
COMPANY SECRETARY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
Cash flows from operating activities		
Profit / (Loss) before taxation	5,958,428	4,459,594
Adjustments for:		
Depreciation and amortisation	3,423,859	2,877,619
Other Income	(179,341)	(468,334)
Finance costs	6,139,248	6,217,384
	<u>9,383,766</u>	<u>8,626,669</u>
	15,342,194	13,086,263
Increase/ decrease in trade and other receivables	7,519,876	(10,174,342)
Increase/ decrease in inventories	(4,420,344)	2,301,024
Increase/ decrease in trade payables and other current liabilities	(2,605,379)	12,685,403
	<u>494,153</u>	<u>4,812,085</u>
	15,836,347	17,898,348
Income taxes paid	(1,200,000)	(300,000)
Net cash from operating activities	<u>14,636,347</u>	<u>17,598,348</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,209,448)	(18,855,196)
Other Income	179,341	468,334
Net cash from investing activities	<u>(3,030,107)</u>	<u>(18,386,862)</u>
Cash flows from financing activities		
Proceeds from issue of share capital	-	-
Proceeds from long term borrowings	(584,007)	(1,740,042)
Repayment of long term borrowings	(3,277,393)	9,380,012
Finance costs	(6,139,248)	(6,217,384)
Net cash from financing activities	<u>(10,000,648)</u>	<u>1,422,586</u>
Net increase/(decrease) in cash and cash equivalents	1,605,592	634,072
Cash and cash equivalents at beginning of the year	4,057,762	3,423,690
Cash and cash equivalents at end of the year	<u>5,663,354</u>	<u>4,057,762</u>

Cash & Cash equivalents:

The above Cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS-3), 'Cash Flow Statements'. Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the statement of cash flows comprise the following amounts in the balance sheet.

As per our Report of even date
For Vandana Rao And Company
Chartered Accountants
FRN NO 011628S

CA.VANDANA S RAO
PROPRIETRIX
Membership No. : 218797
PLACE : BANGALORE
DATE : 30.05.2019

ROY MAMMEN
MANAGING DIRECTOR

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For and on behalf of the Board

SUSAN KURIAN
DIRECTOR

ASHOK KURIYAN
DIRECTOR

SHARVARI SHAM KULKARNI
COMPANY SECRETARY

NOTES TO FINANCIAL STATEMENTS**1A. BACKGROUND:**

M. M. RUBBER COMPANY LIMITED ("the Company") was incorporated on 18-08-1964 under the provision of Indian Companies Act. The Registered Office is situated in Bangalore. The Equity shares of the Company are listed on Bombay stock Exchange Limited. The Company is engaged in the business of manufacturing of mattresses, cushions and pillows.

1B. SIGNIFICANT ACCOUNTING POLICIES:**a BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with Indian Accounting Standards ("Ind AS") specified under Section 133 of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention. All income and expenditure, having a material bearing on financial statements, are recognized on accrual basis.

b USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires management of the Company to make estimates and assumptions that affect certain reported balances of assets and liabilities, disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Accordingly, future results could differ due to changes in these estimates and the difference between the actual result and the estimate are recognized in the period in which the results are known / materialize.

c PROPERTY, PLANT AND EQUIPMENT:**(i) Tangible assets:**

Property Plant and Equipment (PPE) and other tangible assets are stated at cost of acquisition inclusive of freight, duties, taxes and incidental expenses relating to the acquisition, installation, erection and commissioning less depreciation. Internally manufactured assets are valued at works cost. Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are recognized in the Statement of Profit & Loss while incurred. Spare parts whose life has more than 12 month has been considered as PPE and capitalized by the company.

Land and Building are recognised at fair value based on valuation by independent valuers obtained on a periodic basis less subsequent depreciation on buildings. Increase in carrying amounts on account of revaluation of land and building are recognised net of tax in other comprehensive income and accumulated in the retained earnings under other equity. To the extent the increase in value reverses the decrease accounted previously in other comprehensive income, the increase is first recognised in other comprehensive income. Decrease in value that reverses the previously accounted surplus are first recognised in other comprehensive income to the extent of the available surplus and thereafter charged to profit / loss. Each year the difference between the depreciation based on revalued carrying amount of the asset charged to statement of profit or loss and the depreciation based on the assets original cost net off tax, is reclassified from the revaluation reserve to retained earnings.

(ii) Intangible assets:

Intangible assets are accounted at cost of acquisition less depreciation /amortization.

(iii) Depreciation & Amortization:

- a. Depreciation on PPE bought/sold during the year is charged on written down value method as per the useful life in Schedule II of the Act, depending upon the month of the financial year in which the assets are installed/sold. For the assets acquired prior to April 1, 2014 the carrying amount as on April 1, 2014 is depreciated on over the remaining useful life as defined in Schedule II of the Act.

d INVESTMENTS:

- (i) Investments unless otherwise stated are considered as long term in nature and are valued at acquisition cost less provision for diminution, if any other than those which are considered as temporary in nature.

e INVENTORIES:

- (i) Inventories does not include spare parts ,servicing equipment and stand by equipment which meet definition of PPE as per AS-10 (revised) .
- (ii) Raw materials, stores, spare parts and components are valued at cost on weighted average basis or net realizable value whichever is lower.
- (iii) Work in progress is valued at works cost or net realizable value whichever is lower.
- (iv) Finished goods are valued at net billing price (please refer note No.35 to the Ind AS Financial Statements).
- (v) Material cost of work in progress and finished goods are computed on weighted average basis.

f REVENUE RECOGNITION:

Revenue from contracts with customer:

Revenue from contract with customers is recognised when the Group satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations maybe satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognised 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 measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

A liability is recognised for expected sale returns and corresponding assets are recognised for the products expected to be returned.

The Company recognises as an asset, the incremental costs of obtaining a contract with a customer, if the Company expects to recover those costs. The said asset is amortised on a systematic basis consistent with the transfer of goods or services to the customer.

g EMPLOYEE BENEFITS:

(i) Short term employee benefits:

Employee benefits payable wholly within twelve months of rendering the service are classified as short term. Benefits such as salaries, bonus, leave travel allowance etc. are recognized in the period in which the employee renders the related service.

(ii) Post employment benefits:

a. Defined contribution plans:

The Company has contributed to provident and pension which are defined contribution plans. The contributions paid/ payable under the scheme are recognized during the year in which employee renders the related service.

b. Compensated Absences:

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of 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 entitlement as at the year end.

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

h TAXES ON INCOME:

Provision for Income-tax of the company has been made at the higher of that on the assessable income or on basis of section 115 JB of the Income Tax Act, 1961 after taking cognizance of excess / short provision in prior years. Deferred tax is recognized subject to consideration of prudence, on timing differences being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit is recognized using current tax rates. Deferred tax assets liabilities are reviewed as at each Balance sheet date.

In terms of the Guidance note on accounting for credit available in respect of Minimum Alternative Tax(MAT) under the Income Tax Act 1961, issued by the ICAI, the excess of MAT over normal current tax payable has been recognized as an asset by way of credit to the profit & loss account as "MAT credit entitlement".

i BORROWING COSTS:

Interest and other borrowing costs on specific borrowings relating to qualifying assets are capitalized up to the date such assets are ready for use / intended to use. Other interest and borrowing costs are charged to the statement of profit and loss.

j IMPAIRMENT OF ASSETS:

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss, if any, is charged to statement of profit and loss, in the year in which an asset is identified as impaired. (Please refer Note No.37 to Ind AS Financial Statements).

k PROVISIONS AND CONTINGENT LIABILITIES:

- i) A provision is recognized when the Company has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits, decommissioning and site restoration cost) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
- ii) Financial effect of contingent liabilities is disclosed based on information available upto the date on which financial statements are approved. However, where a reasonable estimate of financial effect cannot be made, suitable disclosures are made with regard to this fact and the existence and nature of the contingent liability.

l EARNINGS PER SHARE:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity share holders by the weighted average number of equity shares during the period. For the purpose of calculating the diluted earnings per share, the net profit or loss for the period attributable to the equity share holders and weighted average number of shares outstanding during the period are adjusted for the effects of all potential dilutive equity shares.

m FINANCIAL INSTRUMENTS:

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

(i) Cash and Cash Equivalents:

Cash and Cash Equivalents comprise cash and deposit with banks other than for term deposit earmarked for Bank Guarantee. The company considers all highly liquid investments including demand deposits with bank with an original maturity of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

(ii) Financial assets at amortized cost:

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

(iii) Financial liabilities:

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

n IMPAIRMENT:**(i) Financial Assets:**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Non Financial Assets:

A non financial asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss, if any, is charged to statement of profit and loss, in the year in which an asset is identified as impaired (Please refer note No.37 to Ind AS Financial statements).

1C. Changes in Accounting Standard and recent accounting pronouncements:

On March 30, 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease, rentals are charged to the statement of profit and loss. The Group is currently evaluating the implication of Ind AS 116 on the financial statements. The Companies (Indian Accounting Standards) Amendment Rules, 2019 also notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019.

1. Ind AS 12, Income taxes – Appendix C on uncertainty over income tax treatment.
2. Ind AS 12, Income Taxes - Accounting for Dividend Distribution Taxes.
3. Ind AS 23, Borrowing costs.
4. Ind AS 28 – Investment in associates and joint ventures.
5. Ind AS 103 and Ind AS 111 – Business combinations and joint arrangements.
6. Ind AS 109 – Financial instruments.
7. Ind AS 19 – Employee benefits.

The Group is in the process of evaluating the impact of such amendments.

NOTES TO FINANCIAL STATEMENTS
2. Property plant and equipment:
Tangible assets

Gross block	Land	Building	Moulds	Plant & Machinery	Office equipments	Furniture and fittings	Motor vehicles	Total
	₹	₹	₹	₹	₹	₹	₹	₹
Balance as at 31 March 2017	61,000,000	29,493,958	8,479,215	63,355,920	5,983,213	4,585,656	1,829,390	174,727,352
Additions	-	2,360,000	872,000	8,598,705	560,884	81,060	6,382,547	18,855,196
Less: Revaluation deficit	(20,000,000)	-	-	-	-	-	-	(20,000,000)
Balance as at 31 March 2018	41,000,000	31,853,958	9,351,215	71,954,625	6,544,097	4,666,716	8,211,937	173,582,548
Additions	-	760,000	-	1,684,548	342,770	422,130	-	3,209,448
Less: Revaluation deficit	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	41,000,000	32,613,958	9,351,215	73,639,173	6,886,867	5,088,846	8,211,937	176,791,996
Accumulated depreciation								
Balance as at 31 March 2017	-	6,353,951	8,402,219	59,604,733	5,752,086	3,135,431	1,378,448	84,626,868
Depreciation charge for the year	-	841,769	60,053	799,647	235,902	250,573	689,675	2,877,619
Disposals	-	-	-	-	-	-	-	-
Balance as at 31 March 2018	-	7,195,720	8,462,272	60,404,380	5,987,988	3,386,004	2,068,123	87,504,487
Depreciation charge for the year	-	861,406	101,008	924,622	344,337	282,579	909,907	3,423,859
Disposals	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	-	8,057,126	8,563,280	61,329,002	6,332,325	3,668,583	2,978,030	90,928,346
Netblock								
Balance as at 31 March 2018	41,000,000	24,658,238	888,943	11,550,245	556,109	1,280,712	6,143,814	86,078,061
Balance as at 31 March 2019	41,000,000	24,556,832	787,935	12,310,171	554,542	1,420,263	5,233,907	85,863,650

Additional information:

- 1) Management has determined that there are no significant parts of assets whose useful life is different from that of the principal asset to which it relates to in terms of Note 4 Schedule II to the Companies Act, 2013. Accordingly, useful life of assets have been determined for the overall asset and not for its individual components.

3. Non current investments:

Details of investments	Name of the Company	As at March 31, 2019			As at March 31, 2018		
		No of shares	Face value	Amount ₹	No of shares	Face value	Amount ₹
a) Investments in equity Instruments:							
i) In government securities:							
(Other than Trade, Unquoted)							
Fully paid up							
	National Savings Certificate			8,567			8,567
	Total			8,567			8,567
	Less:						
	Provision for diminution in value of investments			-			-
	Total			8,567			8,567

NOTES TO FINANCIAL STATEMENTS

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
4. Other Financial Assets: (Unsecured and considered good)		
i) Security deposits	812,662	820,641
	<u>812,662</u>	<u>820,641</u>
Amounts due from a private company in which a director of the Company is a director included in the above	-	-
5. Other non current assets: (unsecured and considered good)		
i) Balances with revenue authorities	9,073,703	8,426,592
	<u>9,073,703</u>	<u>8,426,592</u>
Less: Allowance for bad and doubtful receivables	-	-
	<u>9,073,703</u>	<u>8,426,592</u>
6. Inventories:		
i) Raw Materials	1,834,524	1,158,400
ii) Finished Goods	41,370,687	37,626,467
	<u>43,205,211</u>	<u>38,784,867</u>
7. Trade receivables:		
i) Trade receivables exceeding six months	2,657,429	2,165,703
ii) others	17,921,612	26,386,212
	<u>20,579,041</u>	<u>28,551,915</u>
Less: Allowance for doubtful receivables exceeding six months	-	-
	<u>20,579,041</u>	<u>28,551,915</u>
Additional information:		
1) Breakup of above:		
i) Secured, considered good	-	-
ii) Unsecured, considered good	20,579,041	28,551,915
iii) Doubtful	-	-
Total	<u>20,579,041</u>	<u>28,551,915</u>
Less: Allowance for doubtful receivables exceeding six months	-	-
	<u>20,579,041</u>	<u>28,551,915</u>
2) a) Debts due by directors or other officers of the company	-	-
b) Amounts due by private companies in which directors of the Company are directors	-	-
8. Cash and Cash Equivalents:		
a) Cash and cash equivalents:		
i) Balances with banks		
- in other accounts	5,292,066	3,710,360
ii) Cash on hand	171,288	147,402
	<u>5,463,354</u>	<u>3,857,762</u>
b) Other bank balances:		
i) Balances with banks		
- in margin money, security for borrowings, guarantees and other commitments	200,000	200,000
	<u>200,000</u>	<u>200,000</u>
Total (a + b)	<u>5,663,354</u>	<u>4,057,762</u>

NOTES TO FINANCIAL STATEMENTS

Particulars	As at March 31, 2019		As at March 31, 2018	
	₹		₹	
9. Other Financial Assets:				
i) Security deposits	1,903,321		1,820,343	
ii) Prepaid expenses	24,100		251,715	
iii) Others	96,970		138,467	
	2,024,391		2,210,525	
Less: Allowance for doubtful advances	-		-	
	2,024,391		2,210,525	
Additional information:				
1) Breakup of above:				
i) Secured, considered good	-		-	
ii) Unsecured, considered good	2,024,391		2,210,525	
iii) Doubtful	-		-	
Total	2,024,391		2,210,525	
Less: Allowance for doubtful advances	-		-	
	2,024,391		2,210,525	
2) a) Debts due by directors or other officers of the company	-		-	
b) Amounts due by private companies in which directors of the Company are directors	-		-	
Particulars	As at March 31, 2019		As at March 31, 2018	
	Number	₹	Number	₹
10. Share capital:				
Authorized: (*)				
Equity shares of ₹ 2/- each	35,000,000	70,000,000	35,000,000	70,000,000
	35,000,000	70,000,000	35,000,000	70,000,000
Issued:				
Equity shares of ₹ 2/- each	4,985,315	9,970,630	4,985,315	9,970,630
	4,985,315	9,970,630	4,985,315	9,970,630
Issued, subscribed and fully paid up:				
Equity shares of ₹ 2/- each				
At the beginning of the year	4,980,565	9,961,130	4,980,565	9,961,130
Issued during the year	-	-	-	-
At the close of the year	4,980,565	9,961,130	4,980,565	9,961,130
Total carried to Balance Sheet		9,961,130		9,961,130
Additional Information:				
a) Terms and rights:				
The Company has only two classes 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.				
b) Aggregate number of shares issued for consideration other than cash:				
40000 Shares of Rs.2/- each issued pursuant to a contract without payment being received in cash	40,000	80,000	40,000	80,000
98883 shares of Rs 2/-each allotted as fully paid up by way of bonus shares by capitalisation reserves	98,883	197,766	98,883	197,766

NOTES TO FINANCIAL STATEMENTS

c) Particulars of equity share holders holding more than 5% of the total number of equity share capital:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number	%	Number	%
(i) Naveen Bothra	400,000	8.03%	384,650	7.72%

Statement of Changes in Equity

11. Other Equity

Particulars	Attributable to owners of the Company			Total Other equity
	Other Equity			
	Share premium	Revaluation reserve	Retained earnings	
	₹	₹	₹	
Total Other Equity as at March 31 2017	3,750	62,398,141	1,252,171	63,654,062
Add/(Less): Profit for the period	-	-	(11,838,751)	(11,838,751)
Less: INDAS adjustment for Revaluation of land building	-	(20,000,000)	14,850,000	(5,150,000)
Less: Tax Adjustment on Ind AS items	-	5,150,000	-	5,150,000
Total Other Equity as at March 31 2018	3,750	47,548,141	4,263,420	51,815,311
Add/(Less): Profit for the period	-	-	4,758,428	4,758,428
Less: INDAS adjustment for Revaluation of land building	-	-	-	-
Less: Tax Adjustment on Ind AS items	-	-	-	-
Total Other Equity as at March 31 2019	3,750	47,548,141	9,021,848	56,573,739

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Non- Current Liabilities		
12. Borrowings:		
Secured loans:		
a. Loan from Banks	13,194,688	15,767,963
Less: Current maturities on loan from banks	3,082,254	2,378,138
	10,112,434	13,389,825
Total Borrowings	10,112,434	13,389,825

NOTES TO FINANCIAL STATEMENTS

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Additional information:		
1) Details of security for secured loans:		
Vehicle Loan from bank is secured against the hypothecation of motor car borrowed at interest rate of 8% p.a. repayable in 84 equated monthly instalments.		
Term loan availed from South Indian Bank is primarily secured against hypothecation/mortgage of assets purchased for utilising the loan and a collateral charge vide equitable mortgage of 2.95 acres of land with factory building at Ranipet, Tamilnadu at a interest rate of 11.85% per annum repayable in 74 equated monthly instalments.		
Note: There are no defaults in repayment of principal or interest thereon		
13. Deferred tax Liabilities (Net):		
i) Deferred tax liability:		
a) On account of depreciation on fixed assets (other than land)	5,940,853	5,940,853
b) On account of revaluation of land	10,548,906	10,548,906
Total	16,489,759	16,489,759
ii) Deferred tax asset:		
a) On account of timing differences in recognition of expenditure	-	-
b) On account of Unabsorbed depreciation and brought forward losses under the Income Tax Act, 1961 (restricted to Deferred tax liability)	1,602,741	1,602,741
Total	1,602,741	1,602,741
Net Deferred tax (liability)/asset	14,887,018	14,887,018
Current Liabilities		
14. Borrowings:		
Secured loans:		
a) Loans repayable on demand - from banks	37,657,011	38,241,018
Unsecured Loans:		
- from Others	2,000,000	2,000,000
Total	39,657,011	40,241,018
1) Details of security for secured loans:		
a) Working capital facility availed from South Indian Bank is primarily secured against hypothecation of entire assets of the Company and collaterally secured by equitable mortgage of 2.95 acres of land with factory building at Ranipet, Tamilnadu at a interest rate of 11.35% per annum.	37,657,011	38,241,018
2) Terms and conditions for unsecured loans from others:		
a) Represents loan availed from a corporate carrying a interest rate of 9% p.a. repayable on demand	2,000,000	2,000,000
Note: There are no defaults in repayment of principal or interest thereon		

NOTES TO FINANCIAL STATEMENTS

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Current Liabilities		
15. Trade payables:		
a) Total outstanding dues of micro and small enterprises		
Trade payables	800,968	-
	800,968	-
b) Total outstanding dues of creditors other than micro and small enterprises		
Trade payables	19,789,802	25,485,651
	20,590,770	25,485,651

Additional Information:

The details of amounts outstanding to Micro, Small and Medium Enterprises under Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

Sl No.	Particulars	As at March 31, 2019	As at March 31, 2018
1	Principal amount due and remaining unpaid	-	-
2	Interest due on (1) above and the unpaid interest	-	-
3	Interest paid on all delayed payments under the MSMED Act	-	-
4	Payment made beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay other than (3) above	-	-
6	Interest accrued and remaining unpaid	-	-
7	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

16. Other Financial Liabilities:

a) Current maturities of secured loan from banks	3,082,254	2,378,137
b) Deposits from dealers	2,328,900	1,278,900
c) Others	7,801,420	8,053,370
	13,212,574	11,710,407

17. Other current liabilities:

a) Statutory Dues	1,401,528	568,375
b) Others	834,375	880,195
	2,235,903	1,448,570

18. Current Tax Liabilities (Net):

a) Provision for tax (net of advance tax)	-	-
	-	-

NOTES TO FINANCIAL STATEMENTS

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
19. Revenue from operations:		
i) Sale of Products		
Domestic Sales	318,654,709	271,848,439
Less: Excise duty	-	5,284,051
	318,654,709	266,564,388
Less: Sales discount	18,761,145	7,374,084
	299,893,564	259,190,304
20. Other income:		
i) Others	179,341	333,340
ii) Profit on sale of fixed assets	-	134,994
	179,341	468,334
21. Cost of Purchase:		
i) Consumption of Stores, Components & Spare Parts	130,171,161	108,542,364
ii) Purchase of stock in trade	4,839,220	7,717,670
	135,010,381	116,260,034
22. Changes in inventories of stock in trade:		
Stocks at the end of the year		
i) Finished goods	41,370,687	37,626,467
ii) Raw Materials	1,834,524	1,158,400
	43,205,211	38,784,867
Less: Stocks at the beginning of the year		
i) Finished goods	37,626,467	40,404,454
ii) Raw Materials	1,158,400	681,437
	38,784,867	41,085,891
	(4,420,344)	2,301,024
23. Employee benefit expenses:		
i) Salaries , wages and bonus	40,475,240	32,315,693
ii) Contribution to provident and other funds	2,782,936	2,653,805
iii) Gratuity	1,804,027	1,039,893
iv) Staff welfare expenses	1,980,110	1,901,342
	47,042,313	37,910,733
24. Finance costs:		
i) Interest expense	6,139,248	6,217,384
	6,139,248	6,217,384
25. Depreciation and amortization:		
i) Depreciation	3,423,859	2,877,619
	3,423,859	2,877,619

NOTES TO FINANCIAL STATEMENTS

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
26. Other expenses:		
i) Repairs & Maintenance		
- Buildings	1,641,009	4,367,807
- Machinery	2,905,236	1,994,340
- Others	420,767	259,695
ii) Advertisement expenses	17,072,783	9,505,637
iii) Bank Charges	431,532	344,193
iv) Coolie and cartage	1,409,089	1,467,346
v) Sitting Fee	33,000	14,000
vi) Conference and Seminar Expense	13,070	15,769
vii) Insurance	476,501	296,158
viii) Rates and Taxes	650,291	437,596
ix) Travelling and Conveyance	6,518,455	5,612,197
x) Freight expenses	17,072,376	14,671,731
xi) Rent	10,456,678	7,504,524
xii) Professional Charges	8,104,471	9,261,273
xiii) Sales Promotion Expenses	6,604,443	5,059,553
xiv) Fabrication Charges	3,319,372	2,142,387
xv) Turnover Discount	14,358,501	7,748,770
xvi) Vehicle Maintenance	972,582	630,569
xvii) Audit fee	238,621	203,088
xviii) Consumption of spares	779,272	598,631
xix) Watch & Ward Expenses	1,539,821	900,538
xx) Power and Fuel	2,690,099	5,584,656
xxi) Stitching Charges	1,035,949	1,708,087
xxii) Telephone Expenses	733,820	646,215
xxiii) Commission on sales	133,945	302,780
xxiv) Postage Expenses	1,215,595	1,010,880
xxv) Printing & Stationery	1,148,056	1,026,463
xxvi) Prompt Payment Discount	4,196,832	3,513,099
xxvii) Manufacturing Expenses	403,330	357,764
xxviii) Other Expenses	343,526	2,446,503
	106,919,020	89,632,250
27. Additional Information:		
a) <i>Value of Imports calculated on CIF basis:</i>		
i) Purchases of Stock in Trade	12,431,198	13,492,318
ii) Capital goods	-	-
b) <i>Expenditure in foreign currency: (net of withholding tax)</i>		
i) Other matters	306,179	266,729
c) <i>Details of non-resident shareholdings</i>		
i) Number of nonresident share holders	64	58
ii) Number of shares held by nonresident shareholders	126,523	135,219
iii) Amount remitted during the year in foreign currency on account of dividends	-	-
d) <i>Earnings in foreign exchange:</i>		
i) Sale of products	-	-

NOTES TO FINANCIAL STATEMENTS

Particulars	Year Ended March 31, 2019 ₹	Year Ended March 31, 2018 ₹
28. Earnings per share:		
(Basic and diluted)		
Basic and Diluted Earnings per share [EPS] computed in accordance with Ind AS 33 "Earnings per Share":		
(a) Before and after exceptional item		
Profit for the year after tax expense	4,758,428	3,011,249
Weighted average number of equity shares	4,980,565	4,980,565
Paid up value per share	2	2
Earnings per share (basic & diluted) (*)	0.96	0.60

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
29. Contingent liabilities and commitments:		
(to the extent not provided for)		
a) Contingent liabilities:		
i) Claims against the Company not acknowledged as debts	-	-
ii) Bank Guarantees	-	-
iii) Unexpired Letters of credit	-	-
iv) Central Excise tax under dispute	9,630,000*	9,630,000

The management believes, based on internal assessment and / or legal advice, that the probability of an ultimate adverse decision and outflow of resources of the Company is not probable and accordingly, no provision for the same is considered necessary.

* During the year under review, the Company's appeal against the above demand has been allowed by the appellate authorities with consequential benefits, if any, as per law.

b) Commitments		
i) Other commitments*	25,000,000	-
ii) Warranty on Sale of Products - Amount not ascertainable	-	-

* The Company is in process of closing its operation in Chennai factory and shifting of Machinery to the Company owned plant at Ranipet to reduce the burden of overheads.

30. SEGMENT REPORTING:

The Company is engaged in only manufacturing of mattresses, pillows and cushions which is considered as a single reportable business segment and accordingly, primary reporting disclosures for business segments, as envisaged in Indian Accounting Standard (IND AS) 108 on 'Operating Segment is not applicable.

31. RELATED PARTY TRANSACTIONS:

(a) Name of related parties and description of relationship where controls exists:

Sl. No.	Name of the Related Party	Relationship
1	NIL	Wholly owned subsidiary
2	NIL	Step down subsidiary
3	NIL	Associates
4	Roy Mammen - Managing Director Jacob Mammen - Director Mammen Philip - Director Sharvari Sham Kulkarni - Company Secretary Machimada Muddappa Kushalappa - CFO	Key Management Personnel and their relatives ("KMP")
5	Balanoor Plantations & Industries Limited Malayala Manorama Company Limited	Enterprises over which key management personnel and their relatives are able to exercise significant influence

NOTES TO FINANCIAL STATEMENTS**(b) Transactions with the related parties:**

Particulars	Relationship	Year Ended	Year Ended
		March 31, 2019	March 31, 2018
		₹	₹
Purchase of goods and services: Nil			
Software Sales & Service Exports Nil			
Rental Income Nil			
Remuneration paid*:			
Roy Mammen	Managing Director	5,673,621	3,381,863
Mammen Philip	Director Corporate Affairs	207,000	207,000
Sharvari Sham Kulkarni	Company Secretary	113,732	-
Machimada Muddappa Kushalappa	Chief Financial Officer	124,280	-

* The remuneration paid to the Managing Director includes Company leased accommodation, gas, electricity, subscription, etc.

The Company Secretary has been appointed with effect from 27th September 2018.

The Manager Finance has been promoted as Chief Financial Officer with effect from 4th February 2019.

(c) Outstanding balances at the end of the year:

Particulars	Relationship	As at March	As at March
		31, 2019	31, 2018
		₹	₹
Nil	Wholly Owned Subsidiary		
Nil	Step down subsidiary		
Nil	Associates		
Roy Mammen	Key Management Personnel and their relatives ("KMP")	-	4,942
Jacob Mammen		5,000,000	5,201,946
Sharvari Sham Kulkarni		-	-
Machimada Muddappa Kushalappa		-	-
Balanoor Plantations & Industries Limited	Enterprises over which key management personnel and their relatives are able to exercise significant influence	250,000	250,000
Malayala Manorama company Limited		-	50,000

32. OPERATING LEASE (Ind AS 17):

The Company has various operating leases for office facilities which is renewable on a periodic basis, and cancelable at its option. Rental expenses for operating leases included in the financial statements for the year are ₹ 1,04,56,678/- (Previous Year ₹ 75,04,524/-).

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES:

The entity's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the entity's operations to support its operations. The entity's principal financial assets include trade and other receivables, rental and bank deposits and cash and cash equivalents that are derived directly from its operations.

The entity is exposed to market risk/credit and liquidity risks. The entity's senior management oversee the management of these risks. The board reviews their activities. No significant derivative activities have been undertaken so far.

Market Risk :

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits, FVTOCI investments and derivative financial instruments.

The sensitivity analyses in the following sections relate to the positions as at March 31, 2019 and March 31, 2018:

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations.

NOTES TO FINANCIAL STATEMENTS

The following assumption has been made in calculating sensitivity analyses.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31, 2018 including the effect of hedge accounting.

Interest rate risk

Changes in market conditions that give rise to market risk include changes in a benchmark interest rate, the price of another entity's financial instrument, a commodity price, a foreign exchange rate or an index of prices or rates.

34. FAIR VALUE MEASUREMENT (IND AS 113):

The Financial Instruments of the Company are initially recorded at fair value and subsequently measured at amortized cost based on the nature and timing of the cash flows.

The below table summarises particulars of Financial Instruments used:

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Financial Assets at amortized cost:		
Investments	8,567	8,567
Trade Receivables	20,579,041	28,551,915
Other Financial Assets	2,837,053	3,031,166
Cash & cash equivalents	5,463,354	3,857,762
Other Bank Balances	200,000	200,000
Total Financial Assets	29,088,015	35,649,410
Financial Liabilities at amortized cost:		
Borrowings	49,769,445	53,630,843
Other Financial Liabilities	13,212,574	11,710,407
Trade Payables	20,590,770	25,485,651
Total Financial Liabilities	83,572,789	90,826,901

The Company has not classified any Financial Asset or Liabilities as measured at Fair value through Profit and Loss (FVTPL) or measured at Fair Value through Other Comprehensive Income (FVTOCI).

The Fair Value of the above financial assets and liabilities are measured at amortized cost which is considered to be approximate to their fair values.

35. Closing stock of inventory pertaining to finished products comprising of different individual products is valued on the basis of net billing price of such product. Hence, it is not possible to ascertain the financial impact due to the fact that the Company has not been able to arrive at the cost price of each product.

36. In respect of gratuity accrued, the Company has not ascertained the same on actuarial basis nor provided for it in the accounts. Further the Company has not ascertained accrued leave cash benefit payable to its employees. Accordingly, the Company accounts both gratuity and leave encashment as and when paid.

37. 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.

38. Previous year's figures have been suitably reclassified, wherever required.

39. Deferred Taxation: There is no deferred tax liability during the year, in view of carry forward losses.

As per our Report of even date
For Vandana Rao And Company
 Chartered Accountants
 FRN NO 011628S

For and on behalf of the Board

CA.VANDANA S RAO
 PROPRIETRIX
 Membership No. : 218797
 PLACE : BANGALORE
 DATE : 30.05.2019

ROY MAMMEN
 MANAGING DIRECTOR

SUSAN KURIAN
 DIRECTOR

ASHOK KURIYAN
 DIRECTOR

MACHIMADA MUDDAPPA KUSHALAPPA
 CHIEF FINANCIAL OFFICER

SHARVARI SHAM KULKARNI
 COMPANY SECRETARY

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*
**(GST and other
local taxes as applicable)**

Valid upto 31st March 2020

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 Plot No. E-44/8, Ground Floor, Okhla Industrial Area Phase II, New Delhi - 110 020 (Phone : 43103435/22158631)
- 1 Gate No. 1, Opp. R. Station Daria, Chandigarh - 161 101 (Phone : 2650999)
- 1 3-4-608, Ground Floor, Near Deepak Theatre, Narayanaguda, Hyderabad - 500 027 (Phone : 27551266)
- 1 45, Gubbanna Industrial Area, VI Block, Rajaji Nagar, Bangalore - 560 010 (Phone : 23150671)
- 1 No. 41/116, R.C. Estate, Thaikavu Junction, Vennala Post, Cochin - 682 026 (Phone : 4047477)
- 1 32-28-1/1, Veeranna Street, Maruthinagar, Vijayawada - 520 004 (Phone : 2441455)
- 1 A-032, Antophill Wearhousing Complex, V.I.T. College Road, Wadala East, Mumbai - 400 037 (Phone : 24112557)

