

**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

**REPORT OF THE DIRECTORS TO THE SHAREHOLDERS****Ladies & Gentlemen,**

Your directors have pleasure to present their report on the activities and the audited accounts of the company for the year ended 31st March 2014.

As members are aware there has been considerable slowdown in the economic activity in the country which has an adverse effect on the manufacturing sector. This negative trend also affected your company and thus the company during the year under report could not record any significant improvement in its turnover. Further there has been an all-round increase in costs resulting in the margin being eroded and company making higher loss during the year as compared to the previous year.

**FINANCIAL RESULTS**

The financial results of the company are as under:

Particulars	For the Year 2013-2014 ₹ in Lakhs	For the Previous Year 2012-2013 ₹ in Lakhs
Profit before depreciation and interest	-11.08	47.22
Less: Depreciation	12.95	12.80
Interest	61.44	60.63
	74.39	81.42
Loss after depreciation and interest	-85.47	-34.20
Less: Excess provision written Back	0.47	0.37
Loss or profit carried to balance sheet	-85.00	-33.83

**PROSPECTS FOR THE CURRENT YEAR**

Keeping the current economic scenario and its possible adverse effect, your directors have initiated certain measures to rationalize the working the company, by concentrating more on its core foam products and exploring the possibility of enlarging the marketing of those products to in export market. Your directors are confident that with these measures your company could increase turnover in the coming year but also show better working results.

**DIVIDEND**

As the company is in the process of financial consolidation and in view of the loss for the year, your Directors are not recommending any dividend for the year.

**DIRECTORS**

M/s. Roy Mammen, Mammen Philip and Ashok Kuriyan retires by rotation at the ensuing General Meeting and eligible for re-appointment.

**FIXED DEPOSITS**

At the close of the year the matured deposit of Rs.17,000/- remains unclaimed. Your directors are taking steps to deal with the same in accordance with the new provision of Companies Act 2013.

**PARTICULARS OF EMPLOYEES**

There were no employees whose remuneration during the financial year attracted the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975.

**AUDITORS**

M/s. S.R.Mandre & Co., Chartered Accountants, Bangalore who retires are eligible for re-appointment.

**R & D EFFORTS AND TECHNICAL ABSORPTION**

Details of R & D Efforts and Technology, Absorption are given in Form "B" hereunder.

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

The company has an ongoing programme on latex technology development and its related application to various products. Accordingly the company has in the past launched new products such as Dual Harmony mattresses and Medi bed.

## 2. Future Plan of Action

The company is in the process of rationalizing its distribution net work and such rationalization is expected to yield good results in the coming year.

## 3. 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 use of pre-vulcanized latex is being adopted.

## 4. Foreign Exchange Earning and Outgo

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

### **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, on the Directors Responsibility Statement, it is hereby confirmed:

- a) That in the preparation of accounts for the financial year ended 31st March 2014, the applicable accounting standards have been followed, along with proper explanation relating to material departures.
- b) That the Directors have selected the accounting policies and applied them consistently and made judgements 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 year under review and of the Profit of the Company, for the year under review.
- c) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) That the Directors have prepared the annual accounts for the year ended 31st March 2014 on a "going concern" basis.

### **APPRECIATION**

The Directors place on record their appreciation of the valuable contribution of the Company's bankers. The Directors take the opportunity to thank the customers, dealers and all employees for their continued co-operation

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

PLACE: BANGALORE

DATE: 30.5.2014

**ASHOK KURIYAN**

Director

**ROY MAMMEN**

Managing Director

**NOTE:**The Directors at their meeting held on 30.5.2014 have authorized Mr. Ashok Kuriyan and Mr. Roy Mammen, Directors to sign this report on their behalf.

### **ADDENDUM REGARDING QUALIFICATION IN AUDITORS REPORT**

The Auditors in their report have qualified the following.

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

Your Directors wish to clarify as under:-

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

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

PLACE: BANGALORE

DATE: 30.5.2014

**ASHOK KURIYAN**

Director

**ROY MAMMEN**

Managing Director

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

We have audited the accompanying Financial statements of M M Rubber Company Limited (The Company) Bangalore, which comprise the Balance Sheet as at 31st March 2014 and the Statement of Profit & Loss Account and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and the other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act,1956(the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act,2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of the internal control relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the act in the manner so required subject to the non-ascertainment of impact on the accounts of the company in respect of matters dealt with in the Note No.22.7(Revised Accounting Standard No.15 on Employees Retirement Benefits has been Complied with except that the Company neither has ascertained nor provided for actuarial value of its gratuity liability and Leave Encashment as on 31.3.2014,and subject to Note No 22.6(Accounting Standard A S 28 on Impairment of assets) and subject to Note no 22.1(Balances are subject to confirmations) and subject to deviation from Accounting Standard AS2 regarding valuation of finished goods inventory for the reasons stated in Note No.22.5 of the notes to the accounts and read together with other notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet of the State of affairs of the Company as at 31st March 2014;
- (b) In the case of the statement of Profit & Loss Account, of the Loss for the year ended on that date; and
- (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on other Legal and Regulatory Requirements**

As required by the Companies (Auditors Report) Order,2003,issued by the Central government of India in terms of sub section (4A) of Section 227 of the Companies Act,1956("the act"), we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.

As required under provisions of section 227(3) of the Companies Act, 1956, we report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
2. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
3. The Balance Sheet, Statement of Profit & Loss and Cash Flow statement dealt with by this report are in agreement with the books of account;

4. In our opinion, the Balance Sheet, Statement of Profit & Loss Account and Cash Flow statement Comply with the Accounting Standards notified under the Companies Act.1956 (the Act”) read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
5. On the basis of the written representations received from the directors as on 31st March 2014 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2014 from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

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

B S Dinesh  
Partner  
Mem No 29624

Place : Bangalore  
Date : 30.05.2014

#### **ANNEXURE**

##### **(Referred to in Paragraph 1 of our Report on Other Legal and Regulatory Requirements)**

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;  
(b)As explained to us, the fixed assets have been physically verified by the management during the year. The Company has maintained records showing description of respective assets along with quantitative details, thereof and its location, however, such records do not show updated value both in respect of Gross Block and Net Block.  
(c) As per the information and explanations given to us on our enquiries, the disposal of the assets during the year was not substantial so as to have an impact on the operations of the company, or affect its going concern status of the company.
- ii) (a) The inventories of the company at all its locations have been physically verified by the management during the year end;  
(b)In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business;  
(c) The Company has maintained proper records of inventories and the discrepancies between the physical inventories and the book records, which have been properly dealt with in the books of account were not material.
- iii) (a) The Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. However the register maintained under section 301 has to be updated.  
(b)In our opinion the rate of interest and other terms and conditions in respect of the unsecured loans given by the company are in our opinion, prima facie not prejudicial to the interest of the company.  
(c) In respect of such loans given by the company, where stipulations have been made, they have generally repaid the principal amounts as stipulated and have been regular in payment of interest, where applicable.  
(d)The Company has taken unsecured loans ( Year end balances Rs.54,37,973/-) from other parties covered in the register maintained under section 301 of the companies act,1956  
(e) In our opinion and according to the explanations given to us, the rate of interest and other terms and conditions of the aforesaid loan are not, prime facie prejudicial to the interest of the company.  
(f) In our opinion and according to the explanations given to us, the company is regular in paying interest on such loans which is payable on demand.
- iv) In our opinion and in accordance with the information and explanations given to us there is an adequate Internal Control procedure commensurate with the size of the Company and the nature of its business with regard to the purchase of inventories and fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control system. However, areas pertaining to purchase of goods and inventory needs to be strengthened.
- v) (a) In our opinion, and according to the information and explanations given to us there are no contracts and arrangements, the particulars of which need to be entered into the register required to be maintained under section 301 of the Companies Act, 1956.  
(b)In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the to register maintained under section 301 of Companies Act, 1956 and exceeding the value of Rupees Five Lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

- vi) According to information and explanations given to us, the Company has not accepted any deposit from the Public. Therefore the provisions of Clause (6) of paragraph 4 of the order are not applicable to the company.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business;
- viii) We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1) (d) of the companies act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete
- ix) The Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Income-tax Act, Vat, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities in India except in some cases there has been delays in remittance of provident fund and ESI as ascertained and provided for in the books of account of the company.
- (a) According to the information and explanations given to us, there are no undisputed amounts payable in respect of Statutory dues were outstanding, as at 31st March 2014, for a period of more than six months from the date they became payable.
- (b) As at 31st March 2014, according to information and explanations given to us, the following are the particulars of disputed dues on account of Excise Duty and ESI and Sales Tax that have not been deposited.

Name of the Statute	Nature of Dues	Amount Rs in lakhs	Period to Which it relates	Forum where Pending
Central Excise Laws	Excise Duty 1/3/1981 to 31/3/1985 Order dated 5/07/2011	96.30	1980/85	CE Tribunal Chennai CE Trbinual Chennai
Sales Tax Laws	Tamilnadu Sales tax Input vat	7.31	2007-08	The Asst Commr (LT) Chennai
Sales Tax Laws	Kerala Sales Tax, Surcharge And Interest	14.03 9.03	1997/1999 1996/1997	Kerala High Court Dy Comm of Sales Tax Kerala

- x) The Company has accumulated losses at the end of the financial year which is more than 50% of its net worth. The Company has incurred cash losses during the current financial year covered by our audit and also during the immediately preceding financial year.
- xi) In our opinion and according to information and explanations given to us, the company has not defaulted in repayment of its dues to any financial institution or bank during the year;
- xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities;
- xiii) The provisions of any special statute applicable to Chit Fund, Nidhi, or Mutual Benefit Fund/Societies are not applicable to the company;
- xiv) The Company is not dealing or trading in shares, securities, debentures or other investments and hence the requirement of Para 4(xiv) is not applicable to the company;
- xv) According to the information and explanations given to us company has not given any guarantee for loans taken by others from banks and financial institutions.
- xvi) As per the information and explanations to given to us, term loans obtained by the company, in our opinion, have been applied for the purpose for which they were obtained.
- xvii) According to the information and explanations given to us, we report that no funds raised on short-term basis have been used for long-term investments/applications. The company has not raised long-term funds during the year and hence the use of such funds for short-term investments does not arise.
- xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year;
- xix) The debentures have not been issued by the company during the year;
- xx) On the basis of our examination and according to the information and explanations given to us, no fraud, on or by the company, has been noticed or reported during the year.
- xxi) The Company has not raised any money by way of public issues during the year;

For S.R.MANDRE & CO.,  
Chartered Accountants  
Firm Reg No. 001962S  
(B.S.DINESH)

Place: Bangalore  
Date: 30.05.2014

Partner  
Membership No. 29624

**COMPLIANCE CERTIFICATE**

Corporate Identification No : L25190KA1964PLC052092

Paid Up Capital : Rs. 99,61,130/-

FORM (SEE RULE 3) Compliance Certificate

To The Members

**M M RUBBER COMPANY LIMITED**

Bangalore, Karnataka.

I have examined the registers, records, books and papers produced to me for my verification pertaining to the financial year 01.04.2013 to 31.03.2014 of M M RUBBER COMPANY LIMITED, as required to be maintained under the Companies Act, 1956/ 2013, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31.03.2014. In my opinion and to the best of my information and according to the examinations carried out by me of the documents produced to me and explanations furnished to me by the Company, its officers and agents, I, on strength and reliance of the documents produced and information provided to me, pertaining to the financial year 2013 - 2014, certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities under the Act and the rules made thereunder.
3. The Company being public limited Company has the minimum prescribed paid-up capital.
4. The Board of Directors met 4 (Four) times on 30.05.2013, 29.07.2013, 30.10.2013 and 20.01.2014 in respect of which meetings notices were given and the proceedings were recorded and signed in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from 26.09.2013 to 28.09.2013 (both days inclusive) under Section 154/ 91 of the Companies Act, 1956/ 2013 during the financial year.
6. The Annual General Meeting for the financial year ended on 31.03.2013 was held on 27.09.2013, after giving notice to the members of the Company and the resolutions passed there at were recorded in Minutes Book maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during the financial year.
8. As per information provided to me it appears that, the Company has not advanced any loan to its directors and/or persons or firms or companies referred in the Section 295/ 185 of the Companies Act, 1956/ 2013 during the financial year.
9. As per information provided to me, the Company represents that there was no transaction falling within the purview of Section 297 of the Act.
10. The company has not made entries in the register maintained under Section 301/189 of the Companies Act, 1956/ 2013.
11. As explained to me, it seems that there was an instance falling within purview of Section 314 of the Companies Act, 1956 during the Financial Year under scrutiny.
12. As per records shown to me, the Company has not issued any duplicate share certificates during the financial year.
13. As per documents produced to me, the Company:
  - (i) has not delivered share certificates, however there were transfer and transmission of securities in demat form during the financial year.
  - (ii) has not deposited amount in a separate bank account as there was no dividend declared during the financial year.
  - (iii) has not posted dividend warrants to any member of the Company as there was no dividend declared during the financial year.
  - (iv) has not transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund as there was no such amount outstanding during the financial year under review
  - (v) has generally complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is constituted and there was no appointment of directors, additional directors, alternate directors and directors to fill casual vacancies during the financial year.
15. The Company has not appointed any Managing Director/Whole-time Director/Manager during the financial year under scrutiny.
16. The Company has not appointed any sole-selling agents during the financial year under scrutiny.
17. As per information provided to me, observations made by me and the records produced to me, no approvals was taken by the Company from the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act as the Company represents that there no occasions have arisen during the financial year.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. As per records of the Company, the Company has not issued shares/ debentures/securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not made redemption of preference shares/debentures during the year As there was no redemption of preference shares/debenture issued
22. There was no transaction necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares

pending registration of transfer of shares.

23. As per information provided to me, the Company has not accepted any deposit falling within the purview of Section 58A of the Companies Act 1956 during the financial year.
24. The Company has made borrowings falling under Section 293(1)(d)/ 180(1)(c) of the Companies Act, 1956/ 2013 during the financial year.
25. The company has made investments falling under section 372A of the Act during the financial year.
26. The Company has not altered the provisions of the Memorandum of Association of the company with respect to situation of the Company's registered office from one state to another during the financial year under scrutiny.
27. The Company has not altered the provisions of the Memorandum of Association of the company with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum of Association of the company with respect to name of the Company, during the year under scrutiny.
29. The company has not altered the provisions of the Memorandum of Association of the company with respect to share capital of the company during the year under scrutiny.
30. The company has not altered its Articles of Association of the company during the financial year.
31. As per explanations given to me, there was no prosecution initiated against or show cause notices received by the Company and fines/penalties or any other punishment imposed on the Company during the financial year for offences under the act.
32. The Company has not received any security deposit from its employees during the financial year under scrutiny.
33. The Company has not constituted any Fund under section 418 of the Act.

**For Domodaran & Associates**

M. Damodaran  
 (Partner)  
 C.P.NO: 5081

Place: Chennai  
 Date: 30.05.2014

#### **ANNEXURE A**

##### **Registers as maintained by the Company**

Sl. No.	Under Section	Name of the Register
1	150	Register of Members
2	193	Minutes of All meeting of Board of Directors
3	193(1)	Minutes of General Meeting
4	303	Register of Directors
5	307	Register of Directors' Share holding
6	301/189	Register of Contracts, Companies and firms in which the directors are interested
7	---	Share Transfer register
8	143	Register of Charges
9	372A	Register of loans and investments, or given guarantees or provided securities

#### **ANNEXURE B**

##### **Returns/ Documents/ Forms as filed or Re submitted by the Company with the Registrar of Companies from 01.04.2013 to 31.03.2014.**

Sl. No.	Form No.	Under Section	Description	Document/ filing dates
1	23D	233B	Intimation of Appointment by the Cost Auditor (SBK & Associates) to the Central Government.	11.08.2013
2.	23	314(1)	Appointment of Mr. Mammen Philip to hold an office of place of profit under Sec 314(1) on a remuneration and reimbursement of expenses incurred for official purpose not exceeding Rs.30,000/- per month.	15.10.2013
3.	66	383A(1)	Compliance Certificate for the year ended 31.03.2013.	21.10.2013
4.	23AC/ACA-XBRL	220	Annual Report for financial year ended 31.03.2013.	22.10.2013
5.	20B ACA-XBRL	159	Annual Return as on date of AGM 27.09.2013	04.12.2013

Note: Form 23B filed by Statutory Auditor of the company on 18.10.2013 for the period from 01.04.2013 to 31.03.2014.

Forms and Returns as filed by the Company with Regional Director during the financial year ending on 31.03.2014.

Forms and Returns as filed by the Company with Central Government or other authorities during the financial year ending on 31.03.2014.

Nil

Nil

**For Domodaran & Associates**

M. Damodaran  
 (Partner)  
 C.P.NO: 5081

Place: Chennai  
 Date: 30.05.2014

**BALANCE SHEET AS AT 31ST MARCH 2014**

	Notes No.	As at 31.3.2014 ₹	As at 31.3.2013 ₹
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders's Funds</b>			
Share Capital	2	99,61,130	99,61,130
Reserves & Surplus	3	-82,06,348	2,93,636
		<b>17,54,782</b>	<b>1,02,54,766</b>
<b>Non-current Liabilities</b>			
Long Term Borrowings	4	5,97,066	—
Deferred Tax Liability (net)	-	--	--
Other Long Term Liabilities	-	--	--
Long Term Provisions	5	3,80,000	3,80,000
		<b>9,77,066</b>	<b>3,80,000</b>
<b>Current Liabilities</b>			
Short Term Borrowings	6	4,53,73,876	4,54,94,185
Trade Payables	7	2,31,29,267	1,39,40,030
Other Current Liabilities	8	1,38,00,937	1,01,83,271
Short Term Provisions		--	--
		<b>8,23,04,080</b>	<b>6,96,17,486</b>
<b>Total</b>		<b>8,50,35,928</b>	<b>8,02,52,252</b>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	9	51,27,523	50,80,368
Intangible Assets	-	--	--
Capital Work-in-progress	-	--	--
		<b>51,27,523</b>	<b>50,80,368</b>
<b>Non Current Investments (NSS)</b>			
Long Term Loans & Advances	10	58,75,680	39,76,762
Other Current Assets	11	10,57,000	10,57,000
		<b>69,41,247</b>	<b>50,42,329</b>
<b>Current Assets</b>			
<b>Current Investments</b>			
Inventories	12	4,20,61,949	4,50,95,125
Trade Receivables	13	1,79,81,277	1,48,94,141
Cash and Bank Balances	14	47,60,398	37,05,487
Short Term Loans and Advances	15	81,63,534	64,34,802
Other Current Assets		--	--
		<b>7,29,67,158</b>	<b>7,01,29,555</b>
<b>Total</b>		<b>8,50,35,928</b>	<b>8,02,52,252</b>
<b>Significant Accounting Policies</b>	1		

Notes are an Integral part of the financial statements

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

Place : Bangalore  
Date : 30.05.2014

**ROY MAMMEN**  
Managing Director

**ASHOK KURIYAN**  
Director

**JACOB MAMMEN**  
Director

(B S DINESH)  
Partner  
Membership No 29624

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2014**

	Notes	Year Ended 31.3.2014 ₹	Year Ended As at 31.3.2013 ₹
<b>INCOME</b>			
Revenue from Operations	16	17,87,39,752	16,28,11,137
Other Income	17	5,22,190	1,12,869
<b>Total Revenue</b>		<b>17,92,61,942</b>	<b>16,29,24,006</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	18a	7,77,85,610	7,53,99,852
Purchases of Stock-in-trade	18b	31,06,884	—
Changes in Inventories of finished goods	18c	30,33,176	-51,50,704
Employee Benefits Expense	19	2,82,41,844	2,37,05,099
Other Expenses	20	6,82,02,873	6,42,47,142
<b>Total Expenses</b>		<b>18,03,70,387</b>	<b>15,82,01,389</b>
<b>EARNINGS BEFORE INTEREST, TAX DEPRECIATION AND AMORTISATION</b>			
		<b>-11,08,445</b>	<b>47,22,617</b>
Depreciation and Amortisation Exp	9	12,95,249	12,80,162
Finance Costs	21	61,44,192	68,62,455
		<b>74,39,441</b>	<b>81,42,617</b>
<b>Loss/Profit Before Tax</b>		<b>-85,47,886</b>	<b>-34,20,000</b>
<b>Less: Tax Expenses</b>			
Current Tax		--	--
Prior Year Taxes		--	--
Excess Provision/Added Back		-47,902	-37,435
		<b>-47,902</b>	<b>-37,435</b>
<b>Loss/Profit After Tax</b>		<b>-84,99,984</b>	<b>-33,82,565</b>
<b>EARNINGS PER SHARE</b>			
Basic		-1.72	-0.69
Diluted		-1.71	-0.68

(Face value of Rs 2/-each)

**Significant Accounting Policies** 1

**Notes are an Integral part of the financial statements**

As per our Report of even date  
**For S R Mandre & Co**  
Chartered Accountants  
Firm Reg No. 0019625

Place : Bangalore  
Date : 30.05.2014

**ROY MAMMEN**  
Managing Director

**ASHOK KURIYAN**  
Director

**JACOB MAMMEN**  
Director

(B S DINESH)  
Partner  
Membership No 29624

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	Year Ended 31.3.2014 ₹	Year Ended 31.3.2013 ₹
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Loss before Tax and extraordinary items	(85,47,886)	(34,20,000)
Add: Interest paid	61,44,192	68,62,455
Prior Period Expenses	--	--
Bonus excess provision	47,902	--
Depreciation	12,95,249	12,80,162
	<u>(10,60,543)</u>	<u>47,22,617</u>
Less :		
Less : Interest Received	5,22,190	1,12,869
Less : Miscellaneous Receipts	--	--
Operating Profit Before working capital changes	<u>(5,38,353)</u>	<u>46,09,748</u>
Working Capital Changes		
Increase/(Decrease) in Trade payables	91,89,237	(12,04,033)
Increase/(Decrease) in other current Liabilities	32,91,223	(21,75,930)
Increase/(Decrease) in inventories	(30,33,176)	51,50,704
Increase/ (Decrease) in Debtors	30,87,136	(42,30,907)
Cash Generated from Operating Activities	1,19,96,077	21,49,582
Tax paid	--	--
Cash used(-)/(+)Generated for Operating Activities (A)	<u>1,19,96,067</u>	<u>21,49,582</u>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of Fixed Assets	<u>(14,98,309)</u>	<u>(12,11,365)</u>
Decrease/Increase in Investments	--	--
Interest Received	5,22,190	1,12,869
Miscellaneous Receipts	2,30,000	--
Cash used(-)/(+)Generated for Investing Activities (B)	<u>(7,46,119)</u>	<u>(10,98,496)</u>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Repayment(-)/Proceeds(+) Long Term borrowings	<u>(7,29,638)</u>	<u>1,59,024</u>
Repayment(-)/Proceeds(+) Short Term borrowings	68,755	23,93,622
Increase/(Decrease) in Long Term Advances	(17,09,133)	10,97,438
Increase/(Decrease) in Short Term Loans and Advances	(17,28,731)	(6,61,453)
Repayment(-)/Proceeds(+) from Other Unsecured Loans	--	3,60,000
Prepaid Expenses	--	--
Bonus excess provision	47,902	37,435
Interest paid	(61,44,192)	(68,62,455)
Cash used(-)/(+)Generated for Financing Activities (C)	<u>(1,01,95,037)</u>	<u>(34,76,389)</u>
NET Increase(+)/Decrease(-)		
IN CASH AND CASH EQUIVALENTS (A+B+C)	<u>10,54,911</u>	<u>(2,28,311)</u>
CASH AND CASH EQUIVALENTS OPENING BALANCE	<u>37,05,487</u>	<u>39,33,798</u>
CASH AND CASH EQUIVALENTS CLOSING BALANCE	<u>47,60,398</u>	<u>37,05,487</u>
CASH AND CASH EQUIVALENTS (YEAR END)		
BALANCES WITH BANKS	45,58,686	35,84,910
CASH IN HAND	2,01,712	1,20,577
	<u>47,60,398</u>	<u>37,05,487</u>

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

Place : Bangalore  
Date : 30.05.2014

**ROY MAMMEN**  
Managing Director

**ASHOK KURIYAN**    **JACOB MAMMEN**  
Director                      Director

(B S DINESH)  
Partner  
Membership No 29624

**NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2014****CORPORATE INFORMATION:**

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

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

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) in India and presented under the historical cost convention on accrual basis of accounting to comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules 2006 and with the relevant provisions of the Companies Act, 1956. The Accounting policies applied by the Company are consistent with those used in the previous year.

**B) REVENUE RECOGNITION**

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

**C) INVESTMENTS**

Investments are stated at cost.

**D) FIXED ASSETS : (AS10)**

Tangible and Intangible Assets:

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

**E) DEPRECIATION AND AMORTISATION:**

Depreciation in respect of Fixed Assets is provided by adopting written down value method at the rates specified in accordance with the schedule xiv of the companies act. On additions to or deductions from fixed assets, depreciation is provided on pro-rata basis from the date of additions/till the date of disposal. Assets whose actual cost does not exceed Rs.5,000/- have been written off at 100 per cent.

**F) IMPAIRMENT OF FIXED ASSETS: (AS28)**

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

**G) INVENTORIES**

Inventories are valued as under:

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

Finished goods – Net Billing Price

Work-in-Progress – At factory cost.

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

**H) EMPLOYEE BENEFITS**

a) Defined Contribution Plan:

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

b) Retirement Plan:

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

**I) FOREIGN CURRENCY TRANSACTIONS**

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

**J) TAXATION:**

Tax expense comprises of current tax and deferred tax charge or credit. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. The deferred tax charge or credit is recognized using prevailing enacted or substantially enacted tax rate. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only, if there is virtual certainty of realization of such assets. Other Deferred tax assets are recognized only to the extent that there is a reasonable certainty of realization in future. Deferred tax assets/liabilities are reviewed as at each balance sheet date based on developments during the period and available case law to re-assess realization/liabilities.

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

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

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

**M) EVENTS OCCURRING AFTER THE DATE OF BALANCE SHEET:**

Material events occurring after date of balance sheet are taken into cognizance

**N) CASH & CASH EQUIVALENTS:**

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

**O) EARNINGS PER SHARE:**

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

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

**NOTES FORMING PART OF BALANCE SHEET**

	As at 31.3.2014 ₹	As at 31.3.2013 ₹
<b>NOTE NO : 2 SHARE CAPITAL</b>		
<b>Authorised:</b>		
35000000 Equity shares of Rs 2/ each	7,00,00,000	7,00,00,000
	<u>7,00,00,000</u>	<u>7,00,00,000</u>
<b>Issued: - Equity Shares:</b>		
4985315 Shares of Rs.2/- each issued	99,70,630	99,70,630
	<u>99,70,630</u>	<u>99,70,630</u>
<b>Subscribed, Called and Paid-up:</b>		
<b>Equity Shares:</b>		
40000 Shares of Rs.2/- each issued pursuant to a contract without payment being received in cash	80,000	80,000
4841682 shares of Rs 2/-each issued as fully paid up for cash	96,83,364	96,83,364
98883 shares of Rs 2/-each allotted as fully paid up by way of bonus shares by capitalisation reserves	1,97,766	1,97,766
	<u>99,61,130</u>	<u>99,61,130</u>

	As at 31.03.2014	As at 31.03.2013
<b>(a) Reconciliation of Number of Shares:</b>		
Shares outstanding at the beginning of the year	49,80,565	49,80,565
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	49,80,565	49,80,565
<b>(b) Shares held by each shareholder holding more than 5% shares</b>		
	Nil	Nil
<b>(c) Aggregate Number &amp; Class of Shares</b>		
	<b>Number of shares</b>	<b>Class of shares</b>
Year 2014	49,80,565	Equity
Year 2013	49,80,565	Equity
Year 2012	49,80,565	Equity
Year 2011	49,80,565	Equity
Year 2010	49,80,565	Equity

Rights, preferences and restrictions attached to shares:

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

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

The Company has not declared any dividend during the year.

**NOTE NO : 3 RESERVES & SURPLUS**

<b>(a) Capital Reserve:</b>		
share premium account as per balance sheet	3,750	3,750
Add: Additions during the year	--	--
	<u>3,750</u>	<u>3,750</u>
<b>(b) Profit &amp; Loss Account</b>		
As per Last Balance Sheet	2,89,886	36,72,451
Add: Loss/Profit for the year after tax	(84,99,984)	(33,82,565)
Amount available for appropriations	(82,10,098)	2,89,886
Less: Appropriations		
Prior Period expenses	--	--
	<u>--</u>	<u>--</u>
Closing Balance	<u>(82,10,098)</u>	<u>2,89,886</u>
	<u>(82,06,348)</u>	<u>2,93,636</u>

## NOTES FORMING PART OF BALANCE SHEET

	As at 31.3.2014 ₹	As at 31.3.2013 ₹
<b>NOTE NO : 4 LONG TERM BORROWINGS</b>		
<b>1. From ICICI BANK CAR LOAN</b>	<b>5,97,066</b>	<b>0</b>
Car loan taken on hire purchase repayable in 60 monthly payments at 10.25% interest		
<b>NOTE NO : 5 LONG TERM PROVISIONS</b>		
<b>Provision for income tax</b>	<b>3,80,000</b>	<b>3,80,000</b>
Note: Represents tax on book profit in earlier year and is outstanding more than a year	<b>3,80,000</b>	<b>3,80,000</b>
<b>NOTE NO : 6 SHORT TERM BORROWINGS</b>		
<b>A) SECURED LOANS</b>		
<b>1. From South Indian Bank Ltd</b>		
Cash Credit. Repayable on demand	<b>3,99,35,903</b>	<b>4,23,64,656</b>
Nature of Security:		
Note:		
1. Collaterally secured by equitable mortgage of 2.95 acres of land with factory building at Ranipet, Tamilnadu, with a total limit of Rs 4.00 crores with monthly interest of 14.00% and hypothecation of stock and book debts (Monthly Interest @ 14% from 17.3.2014 to 23.4.15 Renewable on yearly basis		
<b>B) UNSECURED LOANS:</b>		
<b>Inter-Corporate Deposits</b>	<b>54,37,973</b>	<b>30,77,973</b>
Period of one year carries interest at 16% and @ 9% from a private limited company		
Note: There is no default in repayment of principal or interest thereon.		
	<b>4,53,73,876</b>	<b>4,54,42,629</b>
<b>NOTE NO : 7 TRADE PAYABLE</b>		
<b>Due to Micro, small and medium enterprises</b>	<b>--</b>	<b>--</b>
<b>Others</b>	<b>2,31,29,267</b>	<b>1,39,40,031</b>
Note:		
Dues to Micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected.		
<b>NOTE NO : 8 OTHER CURRENT LIABILITIES</b>		
<b>Amount held in Trust</b>	<b>31,58,547</b>	<b>31,58,547</b>
<b>Due to Balanoor Plantations</b>	<b>2,50,000</b>	<b>2,50,000</b>
<b>Due to Malayala Manorama</b>	<b>50,000</b>	<b>50,000</b>
	<b>34,58,547</b>	<b>34,58,547</b>
<b>Prepaid expenses</b>	<b>13,69,183</b>	<b>12,30,489</b>
<b>Due to Provident Fund</b>	<b>19</b>	<b>4,041</b>
<b>Due to Managing Director</b>	<b>17,64,492</b>	<b>--</b>
<b>Payable towards Tds under Income Tax</b>	<b>2,76,976</b>	<b>2,45,929</b>
<b>Payable towards tax under Vat</b>	<b>21,72,339</b>	<b>18,85,626</b>
<b>Payable towards Excise</b>	<b>22,37,837</b>	<b>7,94,933</b>
<b>Others payable</b>	<b>23,37,416</b>	<b>25,63,706</b>
<b>Current maturities of term loan borrowing (Refer Note No. 4)</b>	<b>1,84,128</b>	<b>51,556</b>
	<b>1,03,42,390</b>	<b>67,76,280</b>
	<b>1,38,00,937</b>	<b>1,02,34,827</b>

**NOTE 9: FIXED ASSETS (TANGIBLE ASSETS)**

Particulars	ORIGINAL COST				DEPRECIATION				BALANCE	
	As at 31.03.2013	Additions/ Transfers	Deductions/ Transfers	Total	Upto 31.3.2013	For the Year Transfers	Withdrawn /Transfers	Total	As at 31.3.2014	As at 31.3.2013
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
LAND	33,375	--	--	33,375	--	--	--	--	<b>33,375</b>	33,375
BUILDINGS	5,472,683	--	--	5,472,683	4,364,328	110,836	--	4,475,164	<b>997,519</b>	1,108,355
PLANT & MACHINERY	59,746,698	31,620	--	59,778,318	58,048,530	466,956	--	58,515,486	<b>1,262,832</b>	1,698,168
MOULDS	8,406,086	--	--	8,406,086	8,336,477	27,844	--	8,364,321	<b>41,765</b>	69,609
OFFICE & OTHER EQUIPMENTS	5,323,426	110,341	--	5,433,767	4,759,742	184,477	--	4,944,219	<b>489,548</b>	563,684
VEHICLES	1,011,379	978,115	165,654	1,823,840	748,498	233,260	9,749	972,009	<b>851,831</b>	262,881
FURNITURE & FIXTURES	3,645,400	378,233	--	4,023,633	2,301,104	271,876	--	2,572,980	<b>1,450,653</b>	1,344,296
<b>TOTAL</b>	<b>83,639,047</b>	<b>1,498,309</b>	<b>165,654</b>	<b>84,971,702</b>	<b>78,558,679</b>	<b>1,295,249</b>	<b>9,749</b>	<b>79,844,179</b>	<b>5,127,523</b>	<b>5,080,368</b>

**NOTES FORMING PART OF BALANCE SHEET**

	As at 31.3.2014 ₹	As at 31.3.2013 ₹
<b>NOTE NO : 10 LONG TERM LOANS AND ADVANCES</b>		
<b>Unsecured and Considered Good</b>		
a) Sundry Deposits	15,65,010	14,87,377
b) Others	43,10,670	24,89,385
	<b>58,75,680</b>	<b>39,76,762</b>
<b>NOTE NO : 11 OTHER CURRENT ASSETS</b>		
	<b>10,57,000</b>	10,57,000
	<b>10,57,000</b>	10,57,000
<b>Current Investments</b>	Nil	Nil
<b>NOTE NO : 12 INVENTORIES</b>		
<b>STOCK-IN-TRADE</b>		
(At cost or market value/average realised price, whichever is lower)		
(As valued and certified by the Management)		
<b>FINISHED GOODS</b>	4,20,61,949	4,50,95,125
(As valued and certified by the Management)	<b>4,20,61,949</b>	4,50,95,125
<b>NOTE NO : 13 TRADE RECEIVABLES</b>		
<b>UNSECURED, CONSIDERED GOOD</b>		
Debts outstanding for a period exceeding six months:	19,42,500	-
Others - Considered Good	1,60,38,777	1,48,94,141
	<b>1,79,81,277</b>	1,48,94,141
<b>NOTE NO : 14 CASH &amp; BANK BALANCES</b>		
Cash on hand at Bangalore	4,406	1,376
Cash at Branches	1,97,306	1,19,201
Balance in Current Accounts with Scheduled Banks	45,58,686	35,84,910
	<b>47,60,398</b>	37,05,487
<b>NOTE NO : 15 SHORT TERM LOANS &amp; ADVANCES</b>		
<b>Unsecured considered good</b>		
Advances: Staff	3,97,106	4,65,903
Other Advances	77,31,829	58,64,683
Prepaid Expenses	34,599	1,04,216
	<b>81,63,534</b>	64,34,802

## NOTES FORMING PART OF BALANCE SHEET AND PROFIT &amp; LOSS ACCOUNT

	Year Ended 31.3.2014 ₹	Year Ended 31.3.2013 ₹
<b>NOTE NO : 16 REVENUE FROM OPERATIONS</b>		
Sale of Products	20,32,72,680	18,77,21,379
Less: Excise Duty	2,23,73,074	2,10,21,196
	<u>18,08,99,606</u>	<u>16,67,00,183</u>
Less: Sales discount	21,59,854	38,89,046
	<u>17,87,39,752</u>	<u>16,28,11,137</u>
<b>NOTE NO : 17 OTHER INCOME</b>		
Interest Received	--	-
Others	5,22,190	1,12,869
	<u>5,22,190</u>	<u>1,12,869</u>
<b>NOTE NO : 18A COST OF MATERIALS CONSUMED</b>		
Consumption of Stores, Components & Spare Parts	7,77,85,610	7,53,99,852
	<u>7,77,85,610</u>	<u>7,53,99,852</u>
<b>NOTE NO : 18B PURCHASES OF STOCK IN TRADE</b>		
F G Purchases	31,06,884	-
<b>NOTE NO : 18C CHANGES IN INVENTORIES OF FINISHED GOODS</b>		
Stock at the Beginning of the Year		
Finished goods	4,41,40,128	3,99,44,421
Raw Materials	9,54,997	-
	<u>4,50,95,125</u>	<u>3,99,44,421</u>
Stock at the End of the Year		
Finished goods	4,04,53,486	4,41,40,128
Raw Materials	16,08,463	9,54,997
	<u>4,20,61,949</u>	<u>4,50,95,125</u>
	<u>30,33,176</u>	<u>(51,50,704)</u>
<b>NOTE NO : 19 EMPLOYEE BENEFITS EXPENSES</b>		
Salaries & Wages		
a) M. D's Salaries and Allowances	10,80,000	8,40,000
b) Salaries and allowances	1,11,73,853	95,26,998
c) Wages	95,89,176	97,44,634
d) Company's Contribution to Staff & workers Pension Fund	1,85,333	1,64,578
e) Company's Contribution to Staff & workers PF Fund	16,81,834	14,42,508
f) Company's Contribution to ESI	2,23,620	4,36,008
g) Welfare Expenses	21,35,733	2,71,877
h) Bonus	2,85,246	3,31,359
i) Gratuity	18,87,049	9,47,137
	<u>2,82,41,844</u>	<u>2,37,05,099</u>
<b>NOTE NO : 20 OTHER EXPENSES</b>		
a) Repairs & Maintenance		
Buildings	16,98,936	9,69,127
Machinery	15,48,089	13,86,956
	<u>32,47,025</u>	<u>23,56,083</u>

**NOTES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT**

	Year Ended 31.3.2014 ₹	Year Ended 31.3.2013 ₹
--	------------------------------	------------------------------

**NOTE NO : 20 OTHER EXPENSES (Contd...)**

<b>b) Miscellaneous Expenses</b>		
<b>Advertisement expenses</b>	19,76,925	32,15,452
<b>Auditors travelling expenses</b>	2,500	8,141
<b>Bank Charges</b>	3,43,550	8,88,067
<b>Registration Expenses</b>	27,895	37,822
<b>Sitting Fee</b>	5,000	5,000
<b>Conference and Seminar Expense</b>	15,000	-
<b>Service Tax on Transport of Goods</b>	4,77,470	-
	28,48,340	41,54,482
<b>Insurance</b>	2,88,912	2,73,686
<b>Rates and Taxes</b>	3,67,520	2,02,602
<b>Travelling and Conveyance</b>	53,11,067	45,98,085
<b>Freight expenses</b>	1,04,35,564	92,21,337
<b>Rent</b>	83,01,868	95,82,824
<b>Professional Charges</b>	34,35,669	30,50,659
<b>Sales Promotion Expenses</b>	35,23,300	22,64,951
<b>Fabrication Charges</b>	15,85,128	16,02,487
<b>Turnover Discount</b>	81,48,394	66,93,439
<b>Vehicle Maintainance</b>	3,60,989	2,33,407
<b>Audit fee</b>	1,00,000	1,00,000
<b>Consumption of spares</b>	5,76,501	6,36,932
<b>Watch &amp; Ward Expenses</b>	7,91,461	8,17,922
<b>Power and Fuel</b>	1,01,26,793	98,38,094
<b>Stiching Charges</b>	8,06,548	7,70,571
<b>Staff Welfare Expenses</b>	-	9,46,038
<b>Telephone Expenses</b>	8,36,881	6,70,252
<b>Commission on sales</b>	18,475	43,113
<b>Postage Expenses</b>	4,31,032	5,70,372
<b>Printing &amp; Stationery</b>	7,93,657	7,19,789
<b>Prompt Payment Discount</b>	25,46,434	20,17,222
<b>Manufacturing Expenses</b>	3,22,200	3,31,050
<b>Other Expenses</b>	26,78,191	25,51,745
<b>Inward Freight R M Local &amp; Inport</b>	3,20,924	-
	6,21,07,508	5,77,36,577
	6,82,02,873	6,42,47,142

**NOTE NO : 21 FINANCE COSTS**

<b>Interest on Bank Borrowings</b>	61,44,192	68,62,455
	61,44,192	68,62,455

**22 ADDITIONAL NOTES (FORMING INTEGRAL PART OF ACCOUNTS)**

- 22.1 The balance in Sundry Debtors is subject to confirmations.
- 22.2 Deferred Taxation: The deferred tax liability of Rs. 1,55,789/- ascertained during the year in accordance with AS-22 "Accounting for Taxes on Income" issued by ICAI, in respect of timing difference of depreciation not provided in view of carry forward loss and unabsorbed depreciation of earlier years.
- 22.3 In the absence of any intimation received from vendors regarding the status of their registration under the "Micro, Small and Medium Enterprises Development Act 2006 the company is unable to comply with the disclosures to be made under the said Act.
- 22.4 The Company's claim for refund of excise duty amounting to Rs 216.55 lakhs along with applicable interest till the date of refund preferred in earlier years before the Central Excise Authorities are still pending.
- 22.5 Closing Stock of inventory pertaining to finished products comprising of different individual products is valued at such products' net billing price as it not possible to ascertain cost for each such product.
- 22.6 Company is in the process of ascertaining of the impairment, if any, on any of the fixed assets and subject to such ascertainment, no recognition during the year is made in the accounts for impairment of fixed assets.
- 22.7 In respect of gratuity accrued the company has not ascertained or provided in the accounts. Further company has not ascertained accrued leave cash benefits payable to its employees. The company accounts both gratuity and leave encashment as and when paid.
- 22.8. Related party disclosures :  
Related party disclosures as required AS-18 are as given below.  
List of related party
- 22.8.1 Public Limited Company in which some of the directors of our company are directors of that company  
M/s. Balanoor Plantations & Industries Ltd.,  
M/s Malayala Manorama Co. Ltd
- 22.8.2 Key managerial personnel  
Mr.Roy Mammen – Managing Director  
Mr.Mammen Philip – Director Corporate Affairs
- 22.8.3 The following transactions were carried out with the related party in its ordinary course of business.  
With key management personnel  
Remuneration paid – Managing Director Rs.10,80,000/-  
Advisory fees paid- Director Corporate Affairs Rs. 2,07,000/-
- 22.9 **VALUE OF IMPORTS**  
Value of imports calculated on CIF basis-
- |  |                |
|--|----------------|
| (i) Capital Goods                                      | NIL            |
| (ii) Purchase of latex foam rubber sheet USD 904703.24 | Rs 55,09,005/- |
- 22.10 **EXPENDITURE IN FOREIGN CURRENCY (CASH BASIS)**
- |                                       |  |               |
|---------------------------------------|--|---------------|
| (a) Travelling & Registration Charges | 726.2 MYR, 2532.90 SGD,<br>10807790.20 Vietnam Dong<br>4935638 IDR,105.05USD | Rs 2,62,459/- |
|---------------------------------------|--|---------------|
- 22.11 The bank guarantee have been obtained against counter guarantee  
Given by the company and on the personal guarantee of Managing Director Rs.7,15,557/-
- 22.12 Previous year's figures have been suitably reclassified, wherever required.

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

Place : Bangalore  
Date : 30.05.2014

**ROY MAMMEN**  
Managing Director

**ASHOK KURIYAN**  
Director

**JACOB MAMMEN**  
Director

(B S DINESH)  
Partner  
Membership No 29624

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



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

**Valid upto 31st March 2015**

**This voucher entitles the shareholders to three purchases (upto Rs. 10000/- per voucher) only of MM Foam at 15% discount from any one of the service centres listed below.**

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

**\*on MRP Rate**

**Service Centres authorised to accept this voucher :**

**mm**  
FOAM **Service Centres**

- 1 84, SIDCO Industrial Estate, Ambattur, Chennai - 600 098 (Phone : 42080042)
- 1 97, F.I.E, Patparganj Industrial Area, New Delhi - 110 092 (Phone : 22158630/22158631)
- 1 168, Linton Street, Kolkatta, 700 014 (Phone : 22867145)
- 1 Gate No. 1, Opp. R. Station Daria. Chandigarh (Phone : 2650999)
- 1 'A Wing, Jainam Arcade, Near State Bank of India, LBS Marg, Bhandup (W), Mumbai 400 078 (Phone : 25954392)
- 1 4-1-1018, 16-18 Ramkoti Tilak Road, Hyderabad 500 001 (Phone : 24761266)
- 1 45, Gubbanna Industrial Area, VI Block, Rajaji Nagar, Bangalore - 560 010 (Phone : 23150671)
- 1 No. 41/2206, Veekshanam Road, Opp. Veekshanam Press, Cochin 682 018. (Phone : 4047477)
- 1 32-28-1/1, Veeranna Street, Maruthinagar, Vijayawada - 520 004 (Phone : 2441455)





# M.M. RUBBER COMPANY LIMITED

REGD. OFFICE

EMPIRE INFANTRY, III FLOOR, 29, INFANTRY ROAD, BANGALORE-560 001, INDIA  
PH : 91-80-22866268, 22867065 FAX : 91-80-22861542 URL : www.mmfoam.in  
CIN : L25190KA1964PLC052092

## FORM B

1.	Name of the Company	M.M.Rubber Co. Ltd.,
2.	Annual Financial Statements for the year ended	31 <sup>st</sup> March 2014.
3.	Type of Audit Qualification	Subject to
4.	Frequency of qualification	Repetitive - since 5 years
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report	Note No.22.5, 22.6 and 22.7 in page 18 of Annual Report. Refer Page No.2 - Addendum regarding qualification in Auditors Report
6.	Additional comments from the board/audit committee chair	Nil

For M.M.RUBBER CO. LTD.,

  
MANAGING DIRECTOR

For S.R. MANDRE & CO.  
CHARTERED ACCOUNTANTS  
FRN : 0019625

  
PARTNER

Marketing Office : 'Janapriya Crest', 3rd Floor, Pantheon Road, Egmore, Chennai-600 008.  
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