



M.M. RUBBER COMPANY LIMITED

46th ANNUAL REPORT 2011-12

M.M. RUBBER COMPANY LIMITED

BOARD OF DIRECTORS

ROY MAMMEN - Managing Director

MAMMEN PHILIP

ASHOK KURIYAN

KARUN PHILIP

JACOB MAMMEN

REGISTRARS & SHARE TRANSFER AGENTS

CAMEO CORPORATE SERVICES LTD.
Subramaniam Buildings,
No.1, Club House Road,
Chennai - 600 002.
Phone : 28460390

BANKERS

INDIAN OVERSEAS BANK
SOUTH INDIAN BANK

AUDITORS

S R MANDRE & CO

REGISTERED OFFICE

29, Empire Infantry, 3rd Floor, Infantry Road,
Bangalore - 560 001

M. M. RUBBER COMPANY LIMITED

No. 29, Empire Infantry, 3rd Floor, Infantry Road, Bangalore 560 001

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Forty Sixth Annual General Meeting of the members of MM Rubber Co. Ltd., will be held on Thursday the 27th September 2012 at 9.30 A.M.

at

Hotel Ashraya International
149, Infantry Road, Bangalore - 560 001

The Agenda of the meeting will be as follows:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 31st March 2012 and the Profit & Loss Account for the year ended on that date and the report of the Directors and the Auditors.
2. To appoint a Director in place of Mr.Ashok Kurian who retires by rotation and is eligible for re-appointment
3. To appoint a Director in place of Dr.Karun Philip who retires by rotation and is eligible for re-appointment
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.
5. **AS SPECIAL BUSINESS**

To consider and if thought fit to pass the following resolution with or without modification

"RESOLVED that Mr.Roy Mammen is reappointed as Managing Director for a period of three years from 1.10.2011

RESOLVED FURTHER that pursuant to the provisions of Sec.198, 269, 302 and 309 read with Part II of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being) and pursuant to the Articles of Association of the company and subject to such other approvals as may be required, the consent of the company be and is hereby accorded to the payment of the following remuneration to Mr.Roy Mammen with effect from 1.10.2011

- a. Salary of Rs.60,000/- per month in the grade of Rs.60000-20000-100000
- b. Commission at the rate of 1% of the net profit of the company calculated in the manner laid down in the relevant provisions of the Companies Act
- c. Company's contribution to Provident Fund in the manner as applicable to other employees of the company in accordance with the rules of the company
- d. Gratuity as per the rules of the company

In addition Mr.Roy Mammen is entitled for following allowances perquisites, facilities and amenities subject to the rules of the company.

- i) A furnished accommodation or in lieu thereof if the appointee or HRA at 50% of the salary. Further the company to incur all expenses in connection with such accommodation such a gas, water, electricity, furnishing and other maintenance expenses, servants etc.,
- ii) Medical reimbursement as per rules of the company on himself, spouse and his dependent children
- iii) Reimbursement of club fee and expenses incurred for the purpose of business.
- iv) Leave Travel Assistance to self and family as per the rules of the company.

- v) A.C. car with driver will be provided for discharging for attending to company's business
- vi) Children education allowance limited to two children up to the age of 24 years.

NOTE:

The above perquisites/allowances and benefits shall be evaluated as per rules of the Income-tax Act, wherever applicable. In the absence of such rules, perquisites/allowances shall be evaluated at actual cost to the company

The maximum cost to the company per annum for the grant of above perquisites, allowance and benefits shall not exceed the annual salary.

In addition to the above, Mr.Roy Mammen is entitled for one month's leave salary every year with full salary and free telephone facilities at residence including mobile phone and other suitable communication facilities.

In the absence of inadequate profit in any financial year during the course of tenure Mr.Roy Mammen as Managing Director he shall be paid above as minimum remuneration subject to the limits specified in section 2(B) of Part II of Schedule XIII of the Companies Act.

Resolved further that Mr.Roy Mammen shall be entitled to the entire amount incurred by him in the course of business including entertainment and travel for and on behalf of the company commensurate with his position.

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

ROY MAMMEN
MANAGING DIRECTOR

PLACE: BANGALORE

DATE: 27.7.2012

NOTE:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member.
2. An instrument appointing a proxy must be sent so as to reach the registered office of the company not later than 48 hours before the time fixed for the commencement of the meeting
3. The register of members and the share transfer books will remain closed from 26th September 2012 to 28th September 2012 both days inclusive.
4. Members are requested to notify immediately any change in their address to the registered office of the company
5. Members or proxies should bring their attendance slip duly filled for attending the meeting. Members are requested to bring their copy of the Annual Report to the meeting.

EXPLANATORY STATEMENT UNDER SEC.173 OF THE COMPANIES ACT REGARDING ITEM NO.6

Mr.Roy Mammen was Managing Director of the company right from 2006. When Mr.Roy Mammen took over the company as Managing Director, the company was under BIFR and was subsequently declared as a sick industrial company. Mr.Roy Mammen was able to turnover around the company and got the company discharged from the provisions of Sick Industrial Companies Act. Further during his tenure the company's turnover improved consistently and started showing profits. The board of directors in recognizing his past services and keeping in view the company's future prospects, have re-appointed Mr.Roy Mammen for a further period of three years from the date of expiry of his previous tenure and recommended the remuneration as contained in the above resolution and requested the members for their approval, further all the information as required to be given as per Sec.2(B)(iv) of Part II of Schedule XIII is enclosed for information of the members.

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

ROY MAMMEN
MANAGING DIRECTOR

PLACE: BANGALORE

DATE: 27.7.2012

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 2012.

The economic slowdown in the country has adversely affected your company's performance also. On the one hand there has been unprecedented increase in input costs and at the same time there has been resistance for increase in the price of company's latex products. These factors have contributed to a large extent the decline in margin thus resulting in our company recording a small loss during the year. Your directors are taking all steps to rationalize the working of the company which may result in reduction in cost and improvement of margin.

FINANCIAL RESULTS

The financial results of the company are as under:

Particulars	For the Year 2011-2012 ₹	For the Previous Year 2010-2011 ₹
Profit before depreciation and interest	56.27	43.85
Less: Depreciation	14.89	12.01
Interest	60.78	23.25
	75.67	35.26
Loss or profit after depreciation and interest	(19.40)	8.59
Less: Current Tax	--	1.55
	(19.40)	7.04
Less: Excess provision written Back	0.23	0.10
Loss or profit carried to balance sheet	(19.17)	6.94

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 of the company.

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. Ashok Kuriyan and Karun Philip 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.

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 & 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 Mattresses, Hifi Mattresses, and in the process of expanding its range of products in spring and polyurethane, medibed etc.,

2. Future Plan of Action

The company is in the process of rationalizing its distribution net work and such rationalization is expect 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 Earnings 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 2012, 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 2012 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.

The maintainance of cost records as prescribed for the year is applicable to your company and the company is maintaining such record for computation of cost in respect of all the products.

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

PLACE: BANGALORE
DATE: 27.07.2012

ASHOK KURIYAN
Director

ROY MAMMEN
Managing Director

NOTE:The Directors at their meeting held on 27.7.2012 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: 27.07.2012

ASHOK KURIYAN
Director

ROY MAMMEN
Managing Director

For S.R.MANDRE & CO., Chartered Accountants, Bangalore

AUDITORS' REPORT TO THE SHAREHOLDERS

AUDITORS' REPORT TO THE SHAREHOLDERS OF M M RUBBER COMPANY LIMITED, BANGALORE, ON THE BALANCE SHEET AS AT 31ST MARCH 2012 AND THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.

We have audited the attached Balance Sheet of M M RUBBER COMPANY LIMITED, Bangalore as at 31st March 2012 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mismanagement. An audit includes an examination on a test basis, of evidence supporting the amounts and disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.

We further 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 and proper returns adequate for the purposes of our audit have been received from the branch offices;
3. The Balance Sheet, Profit & Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account;
4. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow statement dealt with by this report comply with the requirements of the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956; to extent applicable.
5. On the basis of the written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012 from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts **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 31.3.2012 ,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 Stanard 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 the information required by the Companies Act, 1956, in the manner so required and also give a true and fair view, in conformity with the accounting principles generally accepted in India;**
 - a) In the case of Balance Sheet, of the state of the Company's affairs as at 31st March 2012
 - b) In the case of Profit & Loss Account, of the Losst for the year ended on that date, and
 - c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

ANNEXURE TO THE AUDITORS REPORT-31ST MARCH 2012

(Referred to in our Report of even date)

- 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 were not substantial so as to have an impact on the operations of the company, or affect its going concern;;
- 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 taken loans from 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. Unsecured advances were granted by the Company to the employees of the company,

 (b) In our opinion the rate of interest and other terms and conditions in respect of the unsecured loans taken by the company from the related parties are in our opinion, prima facie not prejudicial to the interest of the company.

 (c) In respect of such loans taken 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.
- 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 for the sale of goods. We have not observed any major weakness in the internal control system during the course of the audit. 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 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) In our opinion, the Company has not accepted deposits from the Public to which the Provisions of Section 58A and 58AA of the Companies Act, 1956, and the rules framed there under are applicable and therefore paragraph 4 (vi) of the Order is not applicable.
- 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 **prima facie** the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determining whether they are accurate or complete.
- ix) (a) The Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Income-tax, Vat, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities except in some cases there has been delays in remittance of income tax, provident fund, and ESI as ascertained and provided for in the books of account of the company

According to the information and explanations given to us, there are no undisputed amounts payable in respect of Statutory dues were in arrears, as at 31st March 2012, for a period of more than six months from the date they became payable.

- (b) As at 31st March 2012, according to the records of the company and information and explanations given to us, the following are the particulars of disputed dues on account of excise duty, ESI and sales tax that have not been deposited.

Name of the Statue	Nature of Dues	Amount Rs in lakhs	Period to Which it relates	Forum where Pending
Central Excise Laws	Excise Duty	13.68	1980/85	CE Tribunal Chennai
		0.96	upto 1986	CE Trbinual Chennai
		0.80	1996	CE Trbinual Bangalore
		47.31	2006	Comm of CE Appeal Chennai
		0.22	1999	CE Tribunal Chennai
Sales Tax Laws	Kerala SalesTax, Surcharge And Interest	14.03	1997/1999	Kerala High Court
		9.03	1996/1997	Dy Comm of Sales Tax Kerala

- x) The Company does not have accumulated losses as at the end of financial year. The company has incurred cash Losses during the current financial year; however, the company had not incurred cash loss in 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) are 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. 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: 27.07.2012

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

I have examined the registers, records, books and papers produced to me for my verification pertaining to the financial year 01.04.2011 to 31.03.2012 of M M RUBBER COMPANY LIMITED, as required to be maintained under the Companies Act, 1956, 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 31.03.2012. 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 2011 - 2012, 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 (five) 5 times on 21.04.2011, 04.06.2011, 19.07.2011, 21.10.2011 and 17.01.2012 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 closed its Register of Members from 19.09.2011 to 21.09.2011 (both days inclusive) under Section 154 of the Act during the financial year.
6. The Annual General Meeting for the financial year ended on 31.03.2011 was held on 20.09.2011, after giving due notice to the members of the Company and the resolutions passed thereat 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 of the Act during the financial year.
9. As per information provided to me, the Company represents that there was transaction falling within the purview of Section 297 of the Act after obtaining Board's approval to this effect.
10. The company has made necessary entries in the register maintained under Section 301 of the Act.
11. As explained to me, it seems that there was no instance falling within purview of Section 314 of the Act, 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 certificate as there was no allotment/transfer/transmission of securities 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 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 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.
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 from the bank falling under Section 293(1) (d) of the Act during the financial year.
25. The company has not made loans and investments, or given guarantees or provided securities to other bodies corporate 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 Damodaran & Associates

M. Damodaran
(Partner)

Place: Chennai

Date: 27.07.2012

C.P. NO: 5081

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	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 01.04.2011 to 31.03.2012**

Sl. No.	Form No.	Under Section	Description	Date of filing
1	8	135	Modification of charge in favour of The South Indian Bank Limited on dated 07.06.2011.	28.06.2011
2	23AC/ ACA - XBRL	220	Annual Report for financial year ended 31.03.2011	22.12.2011
3	20B	159	Annual Return as on date of AGM 20.09.2011	21.12.2011

Forms and Returns as filed by the Company with Regional Director during the financial year ending on 31.03.2012 - Nil

Forms and Returns as filed by the Company with Central Government or other authorities during the financial year ending on 31.03.2012. - Nil

For Domodaran & Associates

M. Damodaran
(Partner)

Place: Chennai

Date: 27.07.2012

C.P. NO: 5081

BALANCE SHEET AS AT 31ST MARCH 2012

	Notes No.	As at 31.3.2012 ₹	As at 31.3.2011 ₹
EQUITY AND LIABILITIES			
Shareholders's Funds			
Share Capital	2	99,61,130	99,61,130
Reserves & Surplus	3	36,76,201	1,33,20,456
		<u>1,36,37,331</u>	<u>2,32,81,586</u>
Non-current Liabilities			
Long Term Borrowings			
Deferred Tax Liability(net)	-	-	-
Other Long Term Liabilities	-	-	-
Long Term Provisions	4	3,80,000	4,30,000
		<u>3,80,000</u>	<u>4,30,000</u>
Current Liabilities			
Short Term Borrowings	5	4,28,96,815	1,80,50,078
Trade Payables	6	1,51,44,063	1,82,00,958
Other Current Liabilities	7	80,07,341	1,49,15,516
Short Term Provisions		-	-
		<u>6,60,48,219</u>	<u>5,11,66,552</u>
Total		<u>8,00,65,550</u>	<u>7,48,78,138</u>
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	8	51,49,165	58,58,221
Intangible Assets	-	-	-
Capital Work-in-progress	-	-	-
		<u>51,49,165</u>	<u>58,58,221</u>
Non Current Investments(NSS)		8,567	8,567
Long Term Loans & Advances	9	50,74,200	65,34,744
Other Current Assets	10	10,57,000	10,57,000
		<u>61,39,767</u>	<u>76,00,311</u>
Current Assets			
Current Investments	-	-	-
Inventories	11	3,99,44,421	3,52,35,713
Trade Receivables	12	1,91,25,049	1,34,04,585
Cash and Bank Balances	13	39,33,799	37,96,179
Short Term Loans and Advances	14	57,73,349	89,83,129
Other Current Assets		-	-
		<u>6,87,76,618</u>	<u>6,14,19,606</u>
Total		<u>8,00,65,550</u>	<u>7,48,78,138</u>
Significant Accounting Policies	1		
Notes are an Integral part of the financial statements			

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

(B S DINESH)

Partner

Membership No 29624

Place : Bangalore
Date : 27.07.2012

ROY MAMMEN
Managing Director

JACOB MAMMEN **ASHOK KURIYAN**
Director Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2012

	Notes	Year Ended 31.3.2012 ₹	Year Ended As at 31.3.2011 ₹
INCOME			
Revenue from Operations	15	18,55,85,750	16,03,49,054
Other Income	16	23,04,340	14,12,836
Total Revenue		18,78,90,090	16,17,61,890
EXPENSES			
Cost of Materials Consumed	17a	8,98,76,743	6,91,11,506
Purchases of Stock-in-trade	17b	49,49,151	2,49,93,911
Changes in Inventories	17c	-47,08,708	-84,52,000
Employee Benefits Expense	18	2,07,72,427	1,70,20,659
Other Expenses	19	7,13,72,821	5,47,02,860
Total Expenses		18,22,62,434	15,73,76,936
EARNINGS BEFORE INTEREST, TAX DEPRECIATION AND AMORTISATION			
		56,27,656	43,84,954
Depreciation and Amortisation Exp	8	14,89,245	12,00,993
Finance Costs	20	60,78,446	23,24,996
		75,67,691	35,25,989
Loss/Profit Before Tax		-19,40,035	8,58,965
Less: Tax Expenses			
Current Tax	21	0	1,55,000
Prior Year Taxes	22	63,81,063	-
Excess Provision Written Off/Added Back		-22,608	10,197
		63,58,455	1,65,197
Loss/Profit After Tax		-82,98,490	6,93,768
EARNINGS PER SHARE			
Basic		-0.38	0.17
Diluted		-1.66	0.14
(Face value of Rs 2/-each)			
Significant Accounting Policies	1		

Notes are an Integral part of the financial statements

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

Place : Bangalore
Date : 27.07.2012

ROY MAMMEN
Managing Director

JACOB MAMMEN
Director

ASHOK KURIYAN
Director

(B S DINESH)
Partner
Membership No 29624

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

Particulars	Year Ended 31.3.2012 ₹	Year Ended 31.3.2011 ₹
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Loss before Tax and extraordinary items	(19,40,035)	8,58,965
Add: Interest paid	60,78,446	23,24,996
Prior Period Expenses	13,45,765	(10,50,893)
Bonus Short provision	22,608	(10,197)
Depreciation	14,89,245	12,00,993
	69,96,029	33,23,865
Less : Dividend received	-	3,85,928
Less : Interest Received	-	3,85,928
Less : Miscellaneous Receipts	23,04,340	10,26,907
Operating Profit Before working capital changes	46,91,689	19,11,030
Working Capital Changes	46,91,689	
Increase/(Decrease) in Trade payables	30,56,895	34,42,648
Increase/(Decrease) in other current Liabilities	69,08,175	68,48,299
Increase/(Decrease) in inventories	47,08,708	84,52,000
Increase/ (Decrease) in Debtors	57,20,463	19,82,373
Increase/(Decrease) in long Term Advances	14,60,544	-
Increase/ (Decrease) in short term Loans and Advances	(32,09,780)	-
Cash Generated from Operating Activities	2,33,36,694	2,07,25,320
Tax paid	63,81,063	1,55,000
Cash used(-)/(+)Generated for Operating Activities (A)	1,69,55,631	1,89,69,291
B) CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Fixed Assets	7,80,189	26,06,798
Interest Received	-	3,85,928
Miscellaneous Receipts	23,04,340	(10,26,907)
Cash used(-)/(+)Generated for Investing Activities (B)	(15,24,151)	11,93,963
C) CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment(-)/Proceeds(+) Long Term borrowings		
Repayment(-)/Proceeds(+) Short Term borrowings	2,22,96,561	1,17,03,050
Repayment(-)/Proceeds(+) from Other Unsecured Loans		32,29,426
Prior Period Expenses	(13,45,765)	
Bonus Short provision	22,608	
Interest paid	(60,78,446)	(23,24,996)
Cash used(-)/(+)Generated for Financing Activities (C)	1,48,94,958	1,26,07,480
NET Increase(+)/Decrease(-)		
IN CASH AND CASH EQUIVALENTS (A+B+C)	5,36,523	75,55,774
CASH AND CASH EQUIVALENTS OPENING BALANCE	44,70,321	1,20,26,095
CASH AND CASH EQUIVALENTS CLOSING BALANCE	39,33,798	44,70,321
CASH AND CASH EQUIVALENTS (YEAR END)		
BALANCES WITH BANKS	39,31,585	36,71,807
CASH IN HAND	2,213	7,98,514
	39,33,798	44,70,321

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

(B S DINESH)

Partner

Membership No 29624

Place : Bangalore
Date : 27.07.2012

ROY MAMMEN
Managing Director

JACOB MAMMEN
Director

ASHOK KURIYAN
Director

NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2012**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) Presentation and disclosure of financial statements:

During the year ended 31st March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the Company for preparation and presentation of financial statements. The adoption of revised schedule VI does not impact recognition and principles followed by the company, however, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the figures of the previous year wherever necessary to be in conformity with the requirements of revised schedule VI presentation.

c) INCOME RECOGNITION

Company Accounts all expenditure on accrual basis except disputed statutory liabilities and all Income on due basis except refunds from Government Department which is accounted on receipt basis.

d) TANGIBLE AND INTANGIBLE FIXED ASSETS AND DEPRECIATION;(AS10) (AS6)

Tangible Fixed Assets are stated at historical cost less depreciation. Depreciation is provided at rates and in the manner specified in Schedule XIV of the Companies Act, 1956, on written down value method. 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. The Company does not hold any intangible assets.

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

e) INVESTMENTS

Investments are stated at cost. .

f) INVENTORIES

Inventories are valued as under:

Raw materials – Cost (including freight,taxes and duties is net of credit under Vat and cervat 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

g) RETIREMENT BENEFITS

Gratuity and leave encashment accounted on payment basis.

h) FOREIGN CURRENCY TRANSACTIONS

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

i) SALES

Sales are recognized at the point of dispatch to the customers and are exclusive of excise duty.

j) PROVISIONS:

Amounts payable in respect of statutory liabilities disputed and claims of refund from statutory authorities are accounted on cash basis.

k) THE DEFERMENT AND WRITING OFF EXPENDITURE IN CONNECTION WITH LAUNCHING OF NEW PRODUCTS :

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.

NOTES FORMING PART OF BALANCE SHEET

	Note No.	As at 31.3.2012 ₹	As at 31.3.2011 ₹
SHARE CAPITAL	2		
Authorised:			
35000000 Equity shares of Rs 2/ each		7,00,00,000	7,00,00,000
		<u>7,00,00,000</u>	<u>7,00,00,000</u>
Issued: - Equity Shares:			
4985315 Shares of Rs.2/- each issued		99,70,630	99,70,630
		<u>99,70,630</u>	<u>99,70,630</u>
Subscribed, Called and Paid-up:			
Equity Shares:			
40000 Shares of Rs.2/- each issued pursuant to a contract without payment being received in cash		80,000	80,000
4841682 shares of Rs 2/-each issued as fully paid up for cash		96,83,364	96,83,364
98883 shares of Rs 2/-each allotted as fully paid up by way of bonus shares by capitalisation reserves		1,97,766	1,97,766
		<u>99,61,130</u>	<u>99,61,130</u>

A SHARE CAPITAL	Outstanding at the beginning	Allotment/ buy back	Outstanding at the end
(a) Reconciliation of Number of Shares Outstanding at beginning and End of the Reporting period	49,80,565	0.00	49,80,565
(b) Shares held by each shareholder holding more than 5% shares		Nil	Nil
(c) Agreegate Number & Class of Shares		Number of shares	Class of shares
Year 2011		49,80,565	Equity
Year 2010		49,80,565	Equity
Year 2009		49,80,565	Equity
Year 2008		49,80,565	Equity
Year 2007		49,80,565	Equity

RESERVES & SURPLUS	3		
(a) Capital Reserve:			
share premium account as per balance sheet		3,750	3,750
(b) Profit & Loss Account			
As per Last Balance Sheet		1,33,16,706	1,36,73,831
Add: Loss/Profit for the year after tax		(82,98,490)	6,93,768
Amount available for appropriations		50,18,216	1,43,67,599
Less: Appropriations			
Prior Period expenses		13,45,765	10,50,893
Closing Balance		<u>36,72,451</u>	<u>1,33,16,706</u>
		<u>36,76,201</u>	<u>1,33,20,456</u>

Note: prior period expenses of rates and taxes of Rs. 13,45,765

NOTES FORMING PART OF BALANCE SHEET

	Note No.	As at 31.3.2012 ₹	As at 31.3.2011 ₹
LONG TERM PROVISIONS	4		
Provision for income tax		3,80,000	4,30,000
Note: Represents tax on book profit in earlier year and is outstanding more than a year		3,80,000	4,30,000
SHORT TERM BORROWINGS:	5		
A) SECURED LOANS			
1. From South Indian Bank Ltd			
Nature of Security: Cash Credit repayable on demand		3,99,71,034	1,76,86,018
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 crores with monthly interest of 15.50% and hypothecation of stock and book debts			
Renewable on yearly basis			
B) From HDFC Bank Ltd, Bangalore			
a) Term Loan I		2,07,808	3,64,060
Car Loan from HDFC Bank repayable on monthly equal instalments		2,07,808	3,64,060
UNSECURED LOANS:			
Inter-Corporate Deposits		27,17,973	--
Period of one year carries interest at 16% from a private limited company			
Note: There is no default in repayment of principal or interest thereon.		4,28,96,815	1,80,50,078
CURRENT LIABILITIES			
TRADE PAYABLE:	6		
Due to Micro, small and medium enterprises		--	--
Others		1,51,44,063	1,82,00,958
Note:			
Dues to Micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected.			
OTHER CURRENT LIABILITIES	7		
Amount held in Trsut		31,58,547	31,58,547
Due to Balanoor Plantations		2,50,000	2,50,000
Due to Malayala Manorama		50,000	50,000
Due to Bombay Rubbers		--	10,50,000
Due to M M Housing		--	30,13,426
Due to Quizz mercandising		--	18,11,869
Duet to M M Research Co		--	3,10,000
		34,58,547	96,43,842
Prepaid expenses		5,96,436	8,76,306
Due to Provident Fund		4,039	1,07,953
Provisions		5,90,770	8,89,930
Payable towards Tds under Income Tax		2,26,763	2,09,105
Payable towards tax under Vat		23,13,348	16,96,893
Others payable		8,17,438	14,91,487
		45,48,794	52,71,674
		80,07,341	1,49,15,516

FIXED ASSETS: NOTE 8:

Particulars	ORIGINAL COST				DEPRECIATION				BALANCE	
	As at 31.03.2011	Additions/ Transfers	Deductions/ Transfers	Total	Upto 31.3.2011	For the Year Transfers	Withdrawn /Transfers	Total	As at 31.3.2012	As at 31.3.2011
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
LAND	33,375	--	--	33,375	--	--	--	--	33,375	33,375
BUILDINGS	5,472,683	--	--	5,472,683	4,104,343	136,834	--	4,241,177	1,231,506	1,368,340
PLANT & MACHINERY	59,239,519	473,679	--	59,713,198	56,609,606	800,360	--	57,409,966	2,303,232	2,629,913
MOULDS	8,406,086	--	--	8,406,086	8,212,728	77,343	--	8,290,071	116,015	193,358
OFFICE & OTHER EQUIPMENTS	4,973,314	256,510	--	5,229,824	4,281,801	251,363	--	4,533,164	696,660	691,513
VEHICLES	1,011,379	--	--	1,011,379	532,872	123,838	--	656,710	354,669	478,507
FURNITURE & FITTINGS	2,511,137	50,000	--	2,561,137	2,047,922	99,507	--	2,147,429	413,708	463,215
TOTAL	81,647,493	780,189	--	82,427,682	75,789,272	1,489,245	--	77,278,517	5,149,165	5,858,221

NOTES FORMING PART OF BALANCE SHEET

	Note No.	As at 31.3.2012 ₹	As at 31.3.2011 ₹
LONG TERM LOANS AND ADVANCES	9		
Unsecured and Considered Good			
a) Sundry Deposits		17,55,020	20,79,600
b) Others		33,19,180	44,55,144
		<u>50,74,200</u>	<u>65,34,744</u>
Other Current Assets	10		
		10,57,000	10,57,000
		<u>10,57,000</u>	<u>10,57,000</u>
Current Investments		Nil	Nil
INVENTORIES	11		
STOCK-IN-TRADE			
(At cost or market value/average realised price, whichever is lower)			
(As valued and certified by the Management)			
FINISHED GOODS		3,99,44,421	3,52,35,713
(As valued and certified by the Management)		<u>3,99,44,421</u>	<u>3,52,35,713</u>
TRADE RECEIVABLES	12		
UNSECURED, CONSIDERED GOOD			
Debts outstanding for a period exceeding six months:		-	-
Others -considered good		1,91,25,049	1,34,04,585
		<u>1,91,25,049</u>	<u>1,34,04,585</u>
CASH & BANK BALANCES	13		
Cash on hand at Bangalore		2,213	6,834
Cash at Branches		2,15,003	7,91,679
Balance in Current Accounts with Scheduled Banks		37,16,582	29,97,667
		<u>39,33,798</u>	<u>37,96,180</u>
SHORT TERM LOANS & ADVANCES	14		
Unsecured considered good			
Advances: Staff		4,20,086	4,14,066
Other Advances		52,81,964	85,20,830
Prepaid Expenses		71,299	48,234
		<u>57,73,349</u>	<u>89,83,130</u>

NOTES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

	Note No.	Year Ended 31.3.2012 ₹	Year Ended 31.3.2011 ₹
REVENUE FROM OPERATIONS	15		
Sale of Products		20,55,28,220	17,51,40,974
Less: Excise Duty		1,81,66,066	1,26,13,933
		18,73,62,154	16,25,27,041
Less: Sales discount		17,76,404	21,77,992
		18,55,85,750	16,03,49,049
OTHER INCOME:	16		
Interest Received		-	3,85,928
Others		23,04,340	10,26,908
		23,04,340	14,12,836
COST OF MATERIALS CONSUMED	17A		
Consumption of Stores, Components & Spare Parts		8,98,76,743	6,91,11,506
		8,98,76,743	6,91,11,506
PURCHASES OF STOCK IN TRADE	17B		
F G Purchases		49,49,151	2,49,93,911
CHANGES IN INVENTORIES	17C		
Stock at the Beginning of the Year			
Finished goods		3,52,35,713	2,67,83,713
		3,52,35,713	2,67,83,713
Stock at the End of the Year			
Finished goods		3,99,44,421	3,52,35,713
		3,99,44,421	3,52,35,713
		(47,08,708)	(84,52,000)
EMPLOYEE BENEFITS EXPENSES:	18		
Salaries & Wages			
a) M. D's Salaries and Allowances		7,65,000	6,43,500
b) Salaries and allowances		87,44,463	66,77,796
c) Wages		83,08,905	65,92,161
d) Company's Contribution to Staff & workers Pension Fund		1,53,354	1,34,585
e) Company's Contribution to Staff & workers PF Fund		12,95,206	11,40,720
f) Company's Contribution to ESI		5,67,694	4,93,912
g) Welfare Expenses		3,28,930	4,47,947
h) Bonus		3,39,472	3,61,532
i) Gratuity		2,69,403	5,28,506
		2,07,72,427	1,70,20,659
OTHER EXPENSES	19		
a) Repairs & Maintenance			
Buildings		9,51,079	9,36,419
Machinery		11,97,063	12,73,076
		21,48,142	22,09,495
b) Miscellaneous Expenses			
Advertisement expenses		22,42,023	13,28,681
Auditors travelling expenses		1,38,532	-
Bank Charges		9,41,934	8,65,241
Registration Expenses		1,26,286	47,684
Sitting Fee		4,500	5,500
		34,53,275	22,47,106

NOTES FORMING PART OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT

	Note No.	Year Ended 31.3.2012 ₹	Year Ended 31.3.2011 ₹
OTHER EXPENSES (Contd...)	19		
Insurance		1,08,995	1,22,180
Rates and Taxes		12,22,169	4,74,260
Travelling and Conveyance		61,08,931	50,32,319
Freight expenses		99,59,595	81,36,440
Rent		93,40,248	71,19,260
Professional Charges		34,66,069	22,98,890
Sales Promotion Expenses		43,76,974	13,66,018
Fabricaion Charges		18,51,802	13,63,055
Turnover Discount		64,03,781	37,72,651
Vehicle Maintainance		3,02,171	2,23,581
Audit fee		1,00,000	1,00,000
Consumption of spares		8,56,972	6,13,032
Watch & Ward Expenses		9,01,517	8,88,880
Power and Fuel		1,09,29,374	90,90,254
Stiching Charges		7,82,092	6,75,682
Staff Welfare Expenses		12,50,205	7,79,050
Telephone Expenses		8,02,338	6,96,582
Commission on sales		2,61,963	23,63,973
Postage Expenses		6,47,951	6,44,731
Printing & Stationery		6,55,273	7,21,328
Prompt Payment Discount		19,44,111	14,25,348
Manufacturing Expenses		3,91,550	4,27,400
Other Expenses		31,07,323	19,11,345
		<u>6,57,71,404</u>	<u>5,02,46,259</u>
		<u>7,13,72,821</u>	<u>5,47,02,860</u>
FINANCE COSTS	20		
Interest on Bank Borrowings		<u>60,78,445</u>	<u>23,24,996</u>
PRIOR PERIOD TAXES	21		
Capital Gain Taxes paid for earlier year (2007/08) which includes Rs 1577061/- as interest paid		<u>63,81,063</u>	<u>-</u>

22 NOTES ON ACCOUNTS

22.1 The balance in Sundry Debtors is subject to confirmations.

22.2 Deferred Taxation: The deferred tax liability of Rs. 178511/- 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 The Employees benefit consists of contribution by the employer to the provident fund and gratuity fund. Both the benefits are considered as Long Term Benefits to the employees and company discharges its liability under provident fund benefit by accounting contribution to the provident fund scheme operated by the Government under Statutory Employees Provident Fund & Miscellaneous Provisions Act and the Scheme framed there under.

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.7,65,000/-

Advisory fees paid- Director Corporate Affairs Rs. 2,07,000/-

22.8.4 VALUE OF IMPORTS

Value of imports calculated on CIF basis-

(i) Capital Goods

NIL

(ii) Purchase of radium foam latex sheet 15522.80 Euro

Rs. 1081509/-

22.8.5 EXPENDITURE IN FOREIGN CURRENCY (CASH BASIS)

(a) Travelling

16192 USD, 2877 GBP

Rs. 1137827/-

37144 THB, 1423 Euro

22.8.6 The bank guarantee have been obtained against counter guarantee

given by the company and on the personal guarantee of Managing Director

Rs.715557/-

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

Vide our report of even date
For S R Mandre & Co
Chartered Accountants
Firm Reg No. 001962S

Place : Bangalore
Date : 27.07.2012

ROY MAMMEN
Managing Director

JACOB MAMMEN **ASHOK KURIYAN**
Director Director

(B S DINESH)
Partner
Membership No 29624

**INFORMATION GIVEN TO THE SHAREHOLDERS UNDER PART 2 CLAUSE II SUB CLAUSE B OF
SCHEDULE XIII OF COMPANIES ACT 1956**

1 GENERAL INFORMATION:

a) Nature of Industry	Manufacture of Foam based products such as Beds, Pillows etc.,			
b) Date or expected date of commencement of production	Not Applicable since it is an existing company			
c) Financial Performance based on given indicators	Year	2011-12	2010-11	In Lakhs 2009-10
	Net profit /loss before depreciation and interest	56.27	43.85	114.45
	Interest and Deprecation	75.67	35.26	16.74
	Net profit/loss after Interest and Depreciation	(-)19.40	8.59	53.87
d) Export performance based on given indicators	Company is not exporting any goods			
e) Foreign Investments	Nil			

2 INFORMATION ABOUT THE APPOINTEE:

a) Background Details	<p>Mr. Roy Mammen was Co-opted as Director of the Company during the year 1997. After his appointment as Director he was assisting the then Managing Director in the day to day activities of the company. In the year 2006, Mr. Roy Mammen was appointed as a Managing Director for a period of 5 years on a starting remuneration of Rs.18500/- with perquisites.</p> <p>Mr. Roy Mammen during his association with the Company was instrumental in stabilizing the activities and also expanding the product range dealt by the company, thereby ensuring the growth in the Company's turnover. Further the profitability of the Company was healthy during his tenure. Further when he took over as Managing Director, Company was under BIFR. Within a year of his taking over, he brought the company out of its sickness and BIFR provisions.</p>
b) Past Remuneration	<p>Mr. Roy Mammen when he was appointed in the year 2006 as Managing Director of the Company was paid a remuneration of Rs.18500/- with perquisites. On improved performance of the Company, the members of the company at their meeting held on 29th September 2010, enhanced remuneration to Rs.45,000/- with perquisites. Presently his salary is Rs.60000/- with perquisites.</p> <p>While fixing the remuneration for Mr. Roy Mammen, the remuneration drawn by him as an Executive Director of Badra Estates & Industries Ltd., taken into consideration and the remuneration presently proposed are aggregated to ensure that such amounts are within the limits prescribed under Part II of Clause (d) of Schedule XIII.</p>
c) Recognition of Awards	Company continues to be one of the pioneers in Foam Bedding Industry and is recognized for its quality and reliability.
d) Job Profile and his Suitability	Mr. Roy Mammen has considerable experience in Foam Industry and has extensively traveled all over the world in studying the latest technology in the industry and is constantly trying to adopt such technology in improving the quality of the company's produce.
e) Remuneration Proposed	As per the resolution attached to the Notice seeking re-appointment and the remuneration.

- f) **Comparative remuneration Profile**
With respect to industry, size of the Company, profile position and person

The remuneration proposed is reasonable and compares favourably with the remuneration for similar post paid to his peers in the industry. Further Mr. Roy Mammen's role and responsibility have considerably increased on account of expansion of the product range and the input he provides in guiding in adoption of latest technology for the product manufactured.

- g) **Pecuniary relationship directly or Indirectly with the company or Relationship with the managerial Personnel, if any.,**

Mr Roy Mammen owns 12134 shares of the company amounting 0.24% of capital of the Company. Mr Jacob Mammen, is his brother who is the Managing Director of M/s. Badra Estates & Industries Limited is in the Board of Directors of the Company.

3. OTHER INFORMATION:

- a) **Reasons of Loss or Inadequate Profits:**
- b) **Steps taken or proposed to be taken for improvement**
- c) **Expected Increase in productivity and Profitability in measurable terms**

There has been a unprecedented increase in the price of Rubber latex which adversely effected the working of the Company, which forms the major portion of the cost of production. Further in view of the recessionary trend there has been slight slump in turnover of the Foam products of the Company which forms substational portion of the total turnover.

Company is taking all steps to effectively run its plant by upgrading the technology and also the Company has initiated steps to stream line its distribution net work and rationalizing its sale technique.

The Company is confident the measures initiated will not only reduce its cost and also increase the turnover,there by improving the profitability of the Company.

4. DISCLOSURES:

Apart from the remuneration payable to the Managing Director the Company is paying Advisory fee to Mr. Mammen Philip, who is on the Board.

M.M. RUBBER COMPANY LIMITED

No. 29, Empire Infantry, 3rd Floor, Infantry Road, Bangalore - 560 001

PROXY FORM

I/We of

being a Member(s) of M.M. Rubber Company Limited hereby appoint Mr.....
or failing him Mr. as my/our proxy to attend and vote for me/us and on my/our
behalf of the Forty Sixth Annual General Meeting of the Company to be held on Thursday 27th September, 2012 at
9.30 a.m. at Hotel Ashraya International, 149, Infantry Road, Bangalore-560 001.

Signed this day of 2012

Note : 1. The Proxy form must be returned so as to reach the Registered Office
of the Company atleast 48 hours before the time for holding the Meeting.

2. A proxy need not be a Member of the Company

Signature
Affix
Re.1/-
Revenue
Stamp



M.M. RUBBER COMPANY LIMITED

No. 29, Empire Infantry, 3rd Floor, Infantry Road, Bangalore - 560 001

ATTENDANCE SLIP

Fourty Sixth Annual General Meeting - 27th September, 2012
at 9.30 a.m. at Hotel Hotel Ashraya International, 149, Infantry Road, Bangalore-560 001.

Name of the attending Member/Proxy (in block letters) :

Member's Folio No.:

No. of shares held :

I hereby record my presence at the Forty Sixth Annual General Meeting held on 27th September, 2012.

.....
Member's / Proxy's Signature

PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING AND HANDOVER AT THE ENTRANCE DULY FILLED IN.

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 2013

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 filed 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)
- 1 103, F.I.E, Patparganj Industrial Area, New Delhi - 110 092 (Phone : 22158630/22158631)
- 1 168, Linton Street, Kolkatta, 700 014 (Phone : 22297744)
- 1 Gate No. 1, Opp. R. Station Daria. Chandigarh (Phone : 9815379445)
- 1 Shiv Kirpa Industrial Estate, Unit No. 28 & 29, Ground Floor, LBS Marg, Vikhroli (W), Mumbai 400 085 (Ph: 25787992)
- 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 A-1, Ugampath, Banipark, Jaipur 302016 (Phone : 2205550)
- 1 No. 41/2206, Veekshanam Road, Opp. Veekshanam Press, Cochin 682 018. (Ph : 4047477)
- 1 32-28-1/1, Veeranna Street, Maruthinagar, Vijayawada - 520 004 (Phone : 2441455)

46th Annual Report 2011 -12

If undelivered please return to :

M.M. RUBBER COMPANY LIMITED

Registered Office: 29, Empire Infantry, 3rd Floor,
Infantry Road, Bangalore - 560 001.