



**M.M. RUBBER COMPANY LIMITED**

**47th ANNUAL REPORT 2012-13**

# **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**

The Forty Seventh Annual General Meeting of the members of M.M.Rubber Co. Ltd., will be held as scheduled below:

Date: 27.9.2013

Time: 12.30 P.M.

at

Hotel Paraag

No. 3, Raj Bhavan 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 2013 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.Mammen Philip who retires by rotation and is eligible for reappointment
3. To appoint a Director in place of Mr.Jacob Mammen who retires by rotation and is eligible for reappointment
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. To transact such other business as the meeting may be competent to deal with.

#### **6. SPECIAL BUSINESS**

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

“RESOLVED that pursuant to Sec.314(1) of the Companies Act and subject to such consent, approval, permission as may be required, the approval be and is hereby accorded to the continuation of appointment of Mr.Mammen Philip, to hold an office of place of profit under the Company as Consultant in Corporate Affairs from the expiry of previous term to 30th September 2016 on a remuneration and reimbursement of expenses incurred for official purposes not exceeding Rs. 30,000/- per month as hitherto and he be provided with the use of company's vehicle for the purposes of his official duties of the company”

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

PLACE: BANGALORE

DATE: 30.5.2013

**ROY MAMMEN  
MANAGING DIRECTOR**

#### **NOTE:**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on 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 2013 to 28th September 2013 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(1) OF THE COMPANIES ACT, 1956 IN RESPECT OF SPECIAL BUSINESS**

Mr.Mammen Philip was rendering consultancy services to the company in Corporate Management and on business development activities. It was decided by the Board of Directors that his services should be continued for a further period up to 30th September 2016 as the company is planning to introduce other products in addition expanding its activities in foam products. It was further decided by the board that he shall be paid a remuneration and reimbursement of expenses incurred for official purposes not exceeding of Rs.30,000/- per month and provided with motor car facilities for official use.

Except Mr.Mammen Philip none of the directors is interested in the above resolution.

**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 2013.

During the year under report, there has been a recessionary trend in the Indian economy affecting the industrial activities including consumer sector activities. This trend also affected your company and the company recorded a negative growth as compared to the previous year. In addition, the prices of latex and other inputs consistently raised during the year resulting in lower margin especially from latex products which forms substantial portion of the company's turnover. Thus the company had to report a loss for the year.

**FINANCIAL RESULTS**

The financial results of the company are as under:

Particulars	For the Year 2012-2013 ₹ in Lakhs	For the Previous Year 2011-2012 ₹ in Lakhs
Profit before depreciation and interest	47.22	56.22
Less: Depreciation	12.80	14.89
Interest	60.63	60.78
	81.43	75.65
Loss after depreciation and interest	34.20	19.40
Less: Current Tax	--	--
	34.20	19.40
Less: Excess provision written Back	0.37	0.23
Loss carried to balance sheet	32.83	19.17

**PROSPECTS FOR THE CURRENT YEAR**

Your directors have started taking steps to rationalize its distribution network either by closing or merging wherever required in order to reduce costs and improve the quality of delivery. Your Directors are confident that these measures would help in company improving the margin and with the industrial scenario getting better in the coming year the turnover of the company would also improve and thereby the results for the next year would improve.

**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. Jacob Mammen and Mammen Philip retire 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 Companies (Particulars of Employee) 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 product such as Dual Mattresses, Hifi Mattresses, and in the process of expanding its ranges of products in spring and polyurethane, medibed etc.,

## 2. Future Plan of Action

The Company is in process of rationalizing its distribution network 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 2013, the applicable accounting standard 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 judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company, at the end of the year under review and of the loss 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 2013 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 maintenance 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: 30.05.2013

**MAMMEN PHILIP**  
Director

**ROY MAMMEN**  
Managing Director

**NOTE:**The Directors at their meeting held on 30. 2013 have authorized Mr. Mammen Philip 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: 30.05.2013

**MAMMEN PHILIP**  
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, Bangalore, which comprise the Balance Sheet as at 31st March 2013 and Statement of the Profit & Loss Account and the Cash Flow Statement for the year ended on that date 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 referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of the internal control relevant to the preparation and fair presentation of the financial statements that 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 from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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. 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.2.7 (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 31.3.2013, and subject to Note No 2.6 (Accounting Standard AS 28 on Impairment of assets) and subject to Note no 2.1 (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 2.5 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 2013;
- (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 and proper returns adequate for the purposes of our audit have been received from the estates;
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 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;

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 2013 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 : 30.05.2013

#### **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 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 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 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 the principal and interest as stipulated.
- 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) 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.
- vi) 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.
- vii) 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 of the order are not applicable to the company.

- viii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business;
- ix) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the companies act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained, however, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- x) 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 2013, for a period of more than six months from the date they became payable.
- (b) As at 31st March 2013, 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 SalesTax, Surcharge And Interest	14.03 9.03	1997/1999 1996/1997	Kerala High Court Dy Comm of Sales Tax Kerala

- xi) The Company does not have any accumulated losses at the end of the financial year. The Company has incurred cash losses during the current financial year covered by our audit and also during the immediately preceding financial year.
- xii) 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;
- xiii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities;
- xiv) The provisions of any special statute applicable to Chit Fund, Nidhi, or Mutual Benefit Fund/Societies are not applicable to the company;
- xv) 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;
- xvi) 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.
- xvii) 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.
- xviii) 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.
- xix) 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;
- xx) The debentures have not been issued by the company during the year;
- xxi) 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.
- xxii) 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: 30.05.2013

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**

Karnataka.

I have examined the registers, records, books and papers produced to me for my verification pertaining to the financial year 01.04.2012 to 31.03.2013 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 31.03.2013. 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 2012 - 2013, 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 30.04.2012, 27.07.2012, 31.10.2012 and 24.01.2013 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 26.09.2012 to 28.09.2012 (both days inclusive) under Section 154 of the Act during the financial year.
6. The Annual General Meeting for the financial year ended on 31.03.2012 was held on 27.09.2012, 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 of the Act 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 made necessary entries in the register maintained under Section 301 of the Act.
11. As explained to me, it seems that there were no instances falling within purview of Section 314 of the Act, owing to which Company has not obtained any approvals from the Board of Directors, members and previous approval of the Central Government, as the case may be.
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 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 re-appointment of Mr. Roy Mammen as Managing Director of the Company W.e.f 01.10.2011 was ratified at the Annual General Meeting dated 27.09.2012 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) 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 Domodaran & Associates**

M. Damodaran  
(Partner)

Place: Chennai

Date: 30.05.2013

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 01.04.2012 to 31.03.2013**

Sl. No.	Form No.	Under Section	Description	Date of filing
1	66	383A(1)	Compliance Certificate for the year ended 31.03.2012	25.10.2012
2	23	269, 198, 309 and 310	Registration of resolution was passed vide Annual general meeting dated 27.09.2012 for Re-Appointment of Mr. Roy Mammen as Managing Director with effect from 01.10.2011 to 30.09.2014 and payment of Remuneration thereof.	26.10.2012
3	20B	159	Annual Return as on date of AGM 27.09.2012	27.11.2012
4	25C	269	Re-appointment of Mr. Roy Mammen as Managing Director of the company w e f 01.10.2011	11.12.2012
5	23AC/ ACA - XBRL	220	Annual Report for financial year ended 31.03.2012	31.12.2012

Note: Form 23B filed by Statutory Auditor of the company on 04.08.2012 for the period from 01.04.2011 to 31.03.2012

Forms and Returns as filed by the Company with Regional Director during the financial year ending on 31.03.2013

Nil

Forms and Returns as filed by the Company with Central Government or other authorities during the financial year ending on 31.03.2013.

Nil

**For Demodaran & Associates**

M. Damodaran  
(Partner)

C.P. NO: 5081

Place: Chennai

Date: 30.05.2013

**BALANCE SHEET AS AT 31ST MARCH 2013**

	Notes No.	As at 31.3.2013 ₹	As at 31.3.2012 ₹
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders's Funds</b>			
Share Capital	2	99,61,130	99,61,130
Reserves & Surplus	3	2,93,636	36,76,201
		<u>1,02,54,766</u>	<u>1,36,37,331</u>
<b>Non-current Liabilities</b>			
<b>Long Term Borrowings</b>			
Deferred Tax Liability(net)	-	--	--
Other Long Term Liabilities	-	--	--
Long Term Provisions	4	3,80,000	3,80,000
		<u>3,80,000</u>	<u>3,80,000</u>
<b>Current Liabilities</b>			
<b>Short Term Borrowings</b>			
Trade Payables	5	4,54,94,185	4,28,96,815
Other Current Liabilities	6	1,39,40,030	1,51,44,063
Short Term Provisions	7	1,01,83,271	80,07,341
		--	--
		<u>6,96,17,486</u>	<u>6,60,48,219</u>
<b>Total</b>		<u>8,02,52,252</u>	<u>8,00,65,550</u>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	8	50,80,368	51,49,166
Intangible Assets	-	--	--
Capital Work-in-progress	-	--	--
		<u>50,80,368</u>	<u>51,49,166</u>
<b>Non Current Investments(NSS)</b>			
Long Term Loans & Advances	9	39,76,762	50,74,200
Other Current Assets	10	10,57,000	10,57,000
		<u>50,42,329</u>	<u>61,39,767</u>
<b>Current Assets</b>			
<b>Current Investments</b>			
Inventories	-	--	--
Trade Receivables	11	4,50,95,125	3,99,44,421
Cash and Bank Balances	12	1,48,94,141	1,91,25,048
Short Term Loans and Advances	13	37,05,487	39,33,799
Other Current Assets	14	64,34,802	57,73,349
		--	--
		<u>7,01,29,555</u>	<u>6,87,76,617</u>
<b>Total</b>		<u>8,02,52,252</u>	<u>8,00,65,550</u>
<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 : 30.05.2013

**ROY MAMMEN**  
Managing Director

**JACOB MAMMEN** **MAMMEN PHILIP**  
Director Director

(B S DINESH)  
Partner  
Membership No 29624

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2013**

	Notes	Year Ended 31.3.2013 ₹	Year Ended As at 31.3.2012 ₹
<b>INCOME</b>			
Revenue from Operations	15	16,28,11,137	18,55,85,750
Other Income	16	1,12,869	23,04,340
<b>Total Revenue</b>		<b>16,29,24,006</b>	<b>18,78,90,090</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	17a	7,53,99,852	8,98,76,743
Purchases of Stock-in-trade	17b	--	49,49,151
Changes in Inventories of finished goods	17c	-51,50,704	-47,08,708
Employee Benefits Expense	18	2,37,05,099	2,07,72,427
Other Expenses	19	6,42,47,142	7,13,72,821
<b>Total Expenses</b>		<b>15,82,01,389</b>	<b>18,22,62,434</b>
<b>EARNINGS BEFORE INTEREST, TAX DEPRECIATION AND AMORTISATION</b>			
		<b>47,22,617</b>	<b>56,27,656</b>
Depreciation and Amortisation Exp	8	12,80,162	14,89,245
Finance Costs	20	68,62,455	60,78,446
		<b>81,42,617</b>	<b>75,67,691</b>
<b>Loss/Profit Before Tax</b>		<b>-34,20,000</b>	<b>-19,40,035</b>
<b>Less: Tax Expenses</b>			
Prior Year Taxes	21	--	63,81,063
Excess Provision Written Off/Added Back		-37,435	-22,608
		<b>-37,435</b>	<b>63,58,455</b>
<b>Loss/Profit After Tax</b>		<b>-33,82,565</b>	<b>-82,98,490</b>
<b>EARNINGS PER SHARE</b>			
Basic		-0.69	-0.38
Diluted		-0.69	-0.38
<b>(Face value of Rs 2/-each)</b>			
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 : 30.05.2013

**ROY MAMMEN**  
Managing Director

**JACOB MAMMEN**   **MAMMEN PHILIP**  
Director                      Director

(B S DINESH)  
Partner  
Membership No 29624

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013**

Particulars	Year Ended 31.3.2013 ₹	Year Ended 31.3.2012 ₹
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Loss before Tax and extraordinary items	(34,20,000)	(19,40,035)
Add: Interest paid	68,62,455	60,78,446
Prior Period Expenses	--	13,45,765
Bonus Short provision	--	22,608
Depreciation	12,80,162	14,89,245
	<u>47,22,617</u>	<u>69,96,029</u>
Less : Dividend received		
Less : Interest Received	1,12,869	--
Less : Miscellaneous Receipts	--	23,04,340
Operating Profit Before working captial changes	46,09,748	46,91,689
Working Capital Changes		
Increase/(Decrease) in Trade payables	(12,04,033)	30,56,895
Increase/(Decrease) in other current Liabilities	(21,75,930)	69,08,175
Increase/(Decrease) in inventories	51,50,704	47,08,708
Increase/ (Decrease) in Debtors	(42,30,907)	57,20,463
Increase/(Decrease) in long Term Advances	10,97,438	14,60,544
Increase/ (Decrease) in short term Loans and Advances	(6,61,453)	(32,09,780)
Cash Generated from Operating Activities	25,85,567	2,33,36,694
Tax paid	--	63,81,063
Cash used(-)/(+)Generated for Opearting Activities (A)	<u>25,85,567</u>	<u>1,69,55,631</u>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of Fixed Assets	(12,11,365)	(7,80,189)
Decrease/Increase in Investments	--	--
Interest Received	1,12,869	
Miscellaneous Receipts	--	23,04,340
Cash used(-)/(+)Generated for Investing Activities (B)	<u>(10,98,496)</u>	<u>(15,24,151)</u>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Repayment(-)/Proceeds(+) Long Term borrowings	1,59,024	--
Repayment(-)/Proceeds(+) Short Term borrowings	23,93,622	2,22,96,561
Repayment(-)/Proceeds(+) from Other Unsecured Loans	3,60,000	--
Prior Period Expenses	--	(13,45,765)
Bonus Short provision	37,435	22,608
Interest paid	(68,62,455)	(60,78,446)
Cash used(-)/(+)Generated for Finacing Activities (C)	<u>(39,12,374)</u>	<u>1,48,94,958</u>
NET Increase(+)/Decrease(-)		
IN CASH AND CASH EQUIVALENTS (A+B+C)	(2,28,311)	5,36,523
CASH AND CASH EQUIVALENTS OPENING BALANCE	39,33,798	44,70,321
CASH AND CASH EQUIVALENTS CLOSING BALANCE	<u>3,70,54,87</u>	<u>39,33,798</u>
CASH AND CASH EQUIVALENTS (YEAR END)		
BALANCES WITH BANKS	35,84,910	39,31,585
CASH IN HAND	1,20,577	2,213
	<u>37,05,487</u>	<u>39,33,798</u>

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

Place : Bangalore  
Date : 30.05.2013

**ROY MAMMEN**  
Managing Director

**JACOB MAMMEN**  
Director

**MAMMEN PHILIP**  
Director

(B S DINESH)  
Partner  
Membership No 29624

**NOTES ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2013****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:**

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

**N) CASH & CASH EQUIVILANTS:**

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

**O) EARNINGS PER SHARE:**

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

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



## NOTES FORMING PART OF BALANCE SHEET

	As at 31.3.2013 ₹	As at 31.3.2012 ₹
<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 31.03.2013	As at 31.03.2012
<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 2013	49,80,565	Equity
Year 2012	49,80,565	Equity
Year 2011	49,80,565	Equity
Year 2010	49,80,565	Equity
Year 2009	49,80,565	Equity

Rights, preferences and restrictions attached to shares:

The Company has only one class of shares i.e. Equity Shares. 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	36,72,451	1,33,16,706
Add: Loss/Profit for the year after tax	(33,82,565)	(82,98,490)
Amount available for appropriations	2,89,886	50,18,216
Less: Appropriations		
Prior Period expenses	--	13,45,765
	<u>--</u>	<u>13,45,765</u>
<b>Closing Balance</b>	<u>2,89,886</u>	<u>36,72,451</u>
	<u>2,93,636</u>	<u>36,76,201</u>

## NOTES FORMING PART OF BALANCE SHEET

	As at 31.3.2013 ₹	As at 31.3.2012 ₹
<b>NOTE NO : 4 LONG TERM PROVISIONS</b>		
Provision for income tax	3,80,000	3,80,000
<b>Note: Represents tax on book profit in earlier year and is outstanding more than a year</b>	<u>3,80,000</u>	<u>3,80,000</u>
<b>NOTE NO : 5 SHORT TERM BORROWINGS:</b>		
<b>A) SECURED LOANS</b>		
1. From South Indian Bank Ltd		
Nature of Security: Cash Credit. Repayable on demand	4,23,64,656	3,99,71,034
<b>Note:</b>		
1. Collaterally secured by equitable mortgage of 2.95 acres of land with factory building at Ranipet, Tamilnadu, with a total limit of Rs 4.3 crores with monthly interest of 13.50% and hypothecation of stock and book debts (Monthly Interest @ 16.5% from 1.4.12 to 15.2.13 Renewable on yearly basis		
2. From HDFC Bank Ltd, Bangalore		
a) Term Loan 1	51,556	2,07,808
Car Loan from HDFC Bank repayable on monthly equal instalments		
	<u>51,556</u>	<u>2,07,808</u>
<b>B) UNSECURED LOANS:</b>		
Inter-Corporate Deposits	30,77,973	27,17,973
Period of one year carries interest at 16% from a private limited company		
<b>Note: There is no default in repayment of principal or interest thereon.</b>		
	<u>4,54,94,185</u>	<u>4,28,96,815</u>
<b>NOTE NO : 6 TRADE PAYABLE</b>		
Due to Micro, small and medium enterprises	--	--
Others	1,39,40,031	1,51,44,063
<b>Note:</b>		
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 : 7 OTHER CURRENT LIABILITIES</b>		
Amount held in Trust	31,58,547	31,58,547
Due to Balanoor Plantations	2,50,000	2,50,000
Due to Malayala Manorama	50,000	50,000
	<u>34,58,547</u>	<u>34,58,547</u>
Prepaid expenses	12,30,489	5,96,436
Due to Provident Fund	4,041	4,039
Provisions	--	5,90,770
Payable towards Tds under Income Tax	2,45,929	2,26,763
Payable towards tax under Vat	18,85,626	23,13,348
Payable towards Excise	7,94,933	--
Others payable	25,63,706	8,17,438
	<u>67,24,724</u>	<u>45,48,794</u>
	<u>1,01,83,271</u>	<u>80,07,341</u>

**NOTE 8: FIXED ASSETS (TANGIBLE ASSETS)**

Particulars	ORIGINAL COST				DEPRECIATION				BALANCE	
	Asat	Additions/	Deductions/	Total	Upto	For the Year	Withdrawn	Total	Asat	Asat
	31.03.2012	Transfers	Transfers		31.3.2012	Transfers	/Transfers		31.3.2013	31.3.2012
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
LAND	33,375	--	--	33,375	--	--	--	--	<b>33,375</b>	33,375
BUILDINGS	5,472,683	--	--	5,472,683	4,241,177	123,151	--	4,364,328	<b>1,108,355</b>	1,231,506
PLANT & MACHINERY	59,713,198	33,500	--	59,746,698	57,409,966	638,564	--	58,048,530	<b>1,698,168</b>	2,303,232
MOULDS	8,406,086	--	--	8,406,086	8,290,071	46,406	--	8,336,477	<b>69,609</b>	116,015
OFFICE & OTHER EQUIPMENTS	5,229,824	93,602	--	5,323,426	4,533,164	226,578	--	4,759,742	<b>563,684</b>	696,660
VEHICLES	1,011,379	--	--	1,011,379	656,710	91,788	--	748,498	<b>262,881</b>	354,669
FURNITURE & FIXTURES	2,561,137	1,084,263	--	3,645,400	2,147,429	153,675	--	2,301,104	<b>1,344,296</b>	413,708
<b>TOTAL</b>	<b>82,427,682</b>	<b>1,211,365</b>	<b>-</b>	<b>83,639,047</b>	<b>77,278,517</b>	<b>1,280,162</b>	<b>-</b>	<b>78,558,679</b>	<b>5,080,368</b>	<b>5,149,165</b>

**NOTES FORMING PART OF BALANCE SHEET**

	As at 31.3.2013	As at 31.3.2012
	₹	₹
<b>NOTE NO : 9 LONG TERM LOANS AND ADVANCES</b>		
Unsecured and Considered Good		
a) Sundry Deposits	14,87,377	17,55,020
b) Others	24,89,385	33,19,180
	<b>39,76,762</b>	<b>50,74,200</b>
<b>NOTE NO : 10 OTHER CURRENT ASSETS</b>		
	<b>10,57,000</b>	10,57,000
	<b>10,57,000</b>	<b>10,57,000</b>
Current Investments	Nil	Nil
<b>NOTE NO : 11 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>	4,50,95,125	3,99,44,421
(As valued and certified by the Management)	<b>4,50,95,125</b>	<b>3,99,44,421</b>
<b>NOTE NO : 12 TRADE RECEIVABLES</b>		
<b>UNSECURED, CONSIDERED GOOD</b>		
Debts outstanding for a period exceeding six months:		
Others - Considered good	1,48,94,141	1,91,25,049
	<b>1,48,94,141</b>	<b>1,91,25,049</b>
<b>NOTE NO : 13 CASH &amp; BANK BALANCES</b>		
Cash on hand at Bangalore	1,376	2,213
Cash at Branches	1,19,201	2,15,003
Balance in Current Accounts with Scheduled Banks	35,84,910	37,16,582
	<b>37,05,487</b>	<b>39,33,798</b>
<b>NOTE NO : 14 SHORT TERM LOANS &amp; ADVANCES</b>		
Unsecured considered good		
Advances: Staff	4,65,903	4,20,086
Other Advances	58,64,683	52,81,964
Prepaid Expenses	1,04,216	71,299
	<b>64,34,802</b>	<b>57,73,349</b>

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

	Year Ended 31.3.2013 ₹	Year Ended 31.3.2012 ₹
<b>NOTE NO : 15 REVENUE FROM OPERATIONS</b>		
Sale of Products	18,77,21,379	20,55,28,220
Less: Excise Duty	2,10,21,196	1,81,66,066
	<u>16,67,00,183</u>	<u>18,73,62,154</u>
Less: Sales discount	38,89,046	17,76,404
	<u>16,28,11,137</u>	<u>18,55,85,750</u>
<b>NOTE NO : 16 OTHER INCOME</b>		
Interest Received	--	--
Others	1,12,869	23,04,340
	<u>1,12,869</u>	<u>23,04,340</u>
<b>NOTE NO : 17A COST OF MATERIALS CONSUMED</b>		
Consumption of Stores, Components & Spare Parts	7,53,99,852	8,98,76,743
	<u>7,53,99,852</u>	<u>8,98,76,743</u>
<b>NOTE NO : 17B PURCHASES OF STOCK IN TRADE</b>		
F G Purchases	--	49,49,151
<b>NOTE NO : 17C CHANGES IN INVENTORIES OF FINISHED GOODS</b>		
Stock at the Beginning of the Year		
Finished goods	3,99,44,421	3,52,35,713
	<u>3,99,44,421</u>	<u>3,52,35,713</u>
Stock at the End of the Year		
Finished goods	4,50,95,125	3,99,44,421
	<u>4,50,95,125</u>	<u>3,99,44,421</u>
	<u>(51,50,704)</u>	<u>(47,08,708)</u>
<b>NOTE NO : 18 EMPLOYEE BENEFITS EXPENSES</b>		
Salaries & Wages		
a) M. D's Salaries and Allowances	8,40,000	7,65,000
b) Salaries and allowances	95,26,998	87,44,463
c) Wages	97,44,634	83,08,905
d) Company's Contribution to Staff & workers Pension Fund	1,64,578	1,53,354
e) Company's Contribution to Staff & workers PF Fund	14,42,508	12,95,206
f) Company's Contribution to ESI	4,36,008	5,67,694
g) Welfare Expenses	2,71,877	3,28,930
h) Bonus	3,31,359	3,39,472
i) Gratuity	9,47,137	2,69,403
	<u>2,37,05,099</u>	<u>2,07,72,427</u>
<b>NOTE NO : 19 OTHER EXPENSES</b>		
a) Repairs & Maintenance		
Buildings	9,69,127	9,51,079
Machinery	13,86,956	11,97,063
	<u>23,56,083</u>	<u>21,48,142</u>
b) Miscellaneous Expenses		
Advertisement expenses	32,15,452	22,42,023
Auditors travelling expenses	8,141	1,38,532
Bank Charges	8,88,067	9,41,934
Registration Expenses	37,822	1,26,286
Sitting Fee	5,000	4,500
	<u>41,54,482</u>	<u>34,53,275</u>

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


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	Year Ended 31.3.2013 ₹	Year Ended 31.3.2012 ₹
<b>NOTE NO : 19 OTHER EXPENSES (Contd...)</b>		
Insurance	2,73,686	1,08,995
Rates and Taxes	2,02,602	12,22,169
Travelling and Conveyance	45,98,085	61,08,931
Freight expenses	92,21,337	99,59,595
Rent	95,82,824	93,40,248
Professional Charges	30,50,659	34,66,069
Sales Promotion Expenses	22,64,951	43,76,974
Fabrication Charges	16,02,487	18,51,802
Turnover Discount	66,93,439	64,03,781
Vehicle Maintainance	2,33,407	3,02,171
Audit fee	1,00,000	1,00,000
Consumption of spares	6,36,932	8,56,972
Watch & Ward Expenses	8,17,922	9,01,517
Power and Fuel	98,38,094	1,09,29,374
Stiching Charges	7,70,571	7,82,092
Staff Welfare Expenses	9,46,038	12,50,205
Telephone Expenses	6,70,252	8,02,338
Commission on sales	43,113	2,61,963
Postage Expenses	5,70,372	6,47,951
Printing & Stationery	7,19,789	6,55,273
Prompt Payment Discount	20,17,222	19,44,111
Manufacturing Expenses	3,31,050	3,91,550
Other Expenses	25,51,745	31,07,323
	<u>5,77,36,577</u>	<u>6,57,71,404</u>
	<u>6,42,47,142</u>	<u>7,13,72,821</u>
<b>NOTE NO : 20 FINANCE COSTS</b>		
Interest on Bank Borrowings	68,62,455	60,78,445
	<u>68,62,455</u>	<u>60,78,445</u>
<b>NOTE NO : 21 PRIOR PERIOD TAXES</b>		
Capital Gain Taxes paid for earlier year (2007/08) which includes Rs 1577061/- as interest paid	--	63,81,063
	<u>--</u>	<u>63,81,063</u>

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

22.1 The balance in Sundry Debtors is subject to confirmations.

22.2 Deferred Taxation: The deferred tax liability of Rs. 1,73,472/- 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.8,40,000/-

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 10640

Rs 583657/-

**22.10 EXPENDITURE IN FOREIGN CURRENCY (CASH BASIS)**

(a) Travelling & Registration Charges 726.2 MYR, 2532.90 SGD,  
10807790.20 Vietnam Dong  
4935638 IDR, 105.05USD

Rs 262459/-

22.11 The bank guarantee have been obtained against counter guarantee

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

Rs.715557/-

22.12 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 : 30.05.2013

**ROY MAMMEN**  
Managing Director

**JACOB MAMMEN MAMMEN PHILIP**  
Director Director

(**B S DINESH**)  
Partner  
Membership No 29624

**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 Seventh Annual General Meeting of the Company to be held on Friday 27th September, 2013 at  
12.30 p.m. at Hotel Parag, No. 3, Raj Bhavan Road, Bangalore 560001.

Signed this ..... day of 2013

Signature  
Affix  
Re.1/-  
Revenue  
Stamp

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



**M.M. RUBBER COMPANY LIMITED**

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

**ATTENDANCE SLIP**

Fourty Seventh Annual General Meeting - 27th September, 2013  
at 12.30 p.m. at Hotel Parag, No. 3, Raj Bhavan Road, Bangalore 560001.

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 Seventh Annual General Meeting held on 27th September, 2013.

.....  
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

# 15%

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

**Valid upto 31st March 2014**

**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)
- 1 103, 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 Gala, No. 29, Madani Estate, Mulund Goregaon Link Road, Bandup (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)



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**47th Annual Report 2012-13**

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