



M.M. RUBBER COMPANY LIMITED

REGD. OFFICE

EMPIRE INFANTRY, III FLOOR, 29, INFANTRY ROAD, BANGALORE-560 001. INDIA
PH : 91-80-22866268, 22867065 FAX : 91-80-22861542 URL : www.mmfoam.in
CIN : L25190KA1964PLC052092 GST IN : 29AAACM2611E1ZX

20th August 2021

To,
Bombay Stock Exchange Ltd.,
Department of Company Affairs
Floor No.25, Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400 001,
Telephone: 22721234

Sub: - Copy of Annual Report for the year 2020-21.

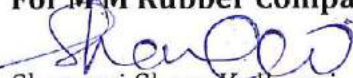
Dear Sir,

Pursuant to the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a copy of **Annual Report** for the year ended March 31, 2021.

Kindly take this notice as compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and acknowledge the receipt.

Thanking you

Yours Faithfully,
For M.M Rubber Company Limited


Sharvari Sham Kulkarni
Company Secretary

Encl: as stated

Marketing Office : 'Janapriya Crest', 3rd Floor, Pantheon Road, Egmore, Chennai-600 008.
Phone : +91 44 28191931 / 28191932 Fax : +91 44 28191924

• • • • **NATURAL** **LATEX** **FOAM** **RUBBER** • • • •
MATTRESSES • PILLOWS • CUSHIONS



M M RUBBER COMPANY LIMITED

55th ANNUAL REPORT 2020-21

M M RUBBER COMPANY LIMITED

BOARD OF DIRECTORS

ROY MAMMEN - Managing Director

ASHOK KURIYAN

KARUN PHILIP

JACOB MAMMEN

SUSAN KURLAN

REGISTRARS & SHARE TRANSFER AGENTS

CAMEO CORPORATE SERVICES LTD
Subramaniam Building
5th Floor
No. 1, Club House Road
Chennai-600 002
Phone : 28460390

BANKERS

INDIAN OVERSEAS BANK
SOUTH INDIAN BANK

AUDITORS

Messrs. Vandana Rao and Company
Chartered Accountants
Bangalore-560 011

REGISTERED OFFICE

29, Empire Infantry, 3rd Floor, Infantry Road
Bangalore-560 001
Phone : 080-22866268
GST No. : 29AAACM2611E1ZX
PAN : AAACM2611E
CIN : L25190KA1964PLC052092

M M RUBBER COMPANY LIMITED

CIN: L25190KA1964PLC052092

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

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

NOTICE

To

The Members,

Notice is hereby given that the 55th Annual General Meeting of the members of M M Rubber Company Limited, will be held on Wednesday 29th September, 2021 at 10-30 a.m. through Video Conference, to transact the following business:

ORDINARY BUSINESS:**Item No.1: Adoption of Accounts:**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT, the Audited Balance sheet as at 31st March, 2021 the statement of Profit and loss, notes forming part thereof, the cash flow statement for the year ended 31.03.2021, Financial Statements, together with the Directors' Report and the Auditors' Report thereon as circulated to the members and presented to the meeting be and the same are hereby approved and adopted."

Item No.2: Re-Appointment of Retiring Director:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

To appoint a Director in place of Mr. Jacob Mammen (DIN: 00078010) who retires by rotation as per Section 152 and being eligible to offers himself for re-appointment.

//By Order of the Board//

Place: Bangalore

Date: 23-08-2021

Roy Mammen
Managing Director
(DIN:00077409)**NOTES:**

1. In view of the outbreak of COVID-19 pandemic, social distancing measures are a pre-requisite and in terms of Ministry of Corporate Affairs ("MCA") Circular No. 20/2020 dated 5th May, 2020 read with Circular 14/2020 dated 8th April, 2020, Circular 17/2020 dated 13th April, 2020, Circular 02/2021 dated 13th January, 2021 ("MCA Circulars") and Securities Exchange Board of India (SEBI) Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021, physical presence of the Members are not required at common venue as the Annual General Meeting (AGM) is being conducted through Video Conference ("VC")/ Other Audio Visual Means ("OAVM"). The deemed venue for the AGM shall be the Registered Office of the Company.
2. A member entitled to vote at the AGM is entitled to appoint proxy to attend and vote on his/her behalf and proxy need not be a member. In terms of MCA Circulars, since physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, facility of appointment of proxies by Members under Section 105 of the Act, will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
3. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and the Members can join the AGM by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC/OAVM will be made available on first come first serve basis.
4. Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. The Company's Registrar and Share Transfer Agent for its Share Registry work (Physical and Electronic) are M/s. Cameo Corporate Services Limited, having their office premises at 'Subramanian Building', No.1, Club House Road, Chennai - 600 002.
6. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of Equity Shares of the Company will remain closed from 23rd September 2021 to 29th September 2021 both days inclusive.

7. Pursuant to provisions of Section 72 of the Companies Act, 2013, Members can avail the facility of nomination in respect of shares held by them in physical form. Members desiring to avail this facility may send their nomination in the prescribed Form SH-13 (Form attached) duly filled in to the Company's Registrar and Share Transfer Agent: M/s. Cameo Corporate Services Limited, 'Subramanian Building', No. 1, Club House Road, Chennai - 600 002. Members holding shares in electronic form may contact their respective Depository Participant for availing this facility.
8. Members are requested to intimate immediately any change of address to their Depositories Participants (DPs) in respect of their holdings in demat form and to the Company's Registrar and Share Transfer Agent M/s. Cameo Corporate Services Limited, 'Subramanian Building', No. 1, Club House Road, Chennai - 600 002, in respect of their physical share folios, if any.
9. Members who are desirous of seeking any further information or clarification, if any, particularly with regard to the accounts are requested to write to the Company at least seven days in advance of the meeting so that the information can be made available at the meeting.
10. As per SEBI directive, it is mandatory for the transferee to furnish self-attested copy of the PAN (Permanent Account Number) card to the Company/RTA for registration of transfer/transmission/transposition of shares in the physical form.
11. Electronic (soft) copy of the Notice of the 55th Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with the Annual Report for 2020-21 is being sent to all the Members whose e-mail IDs are registered with the Company/Depository Participant(s)/ Registrar Transfer Agent for communication purposes. Due to current pandemic situation of COVID-19 and as per the General Circular No.18/2020 dated April 21, 2020, General Circular No.20/2020 dated May 5, 2020, and Circular No. 02/2021 dated 13th January 2021 and SEBI Circulars SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 Company decided to conduct the meeting through Video Conference.
12. As per Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) details in respect of the Directors seeking appointment or re-appointment at the Annual General Meeting, nature of their expertise in specific functional areas, their other directorship and committee memberships, their shareholding and relationship with other directors of the Company are given below:

| | |
|--|---|
| Name of the Director | Mr. Jacob Mammen (DIN: 00078010) |
| Date of Birth | 15-11-1962 |
| Age | 59 years |
| Qualification | Graduate |
| List of companies in which directorship is held as on 31st March, 2021 | <ol style="list-style-type: none"> 1. Stable Investments and Finance Company Limited 2. Devon Plantations and Industries Limited 3. Devon Machines Private Limited 4. Devon Financial Services Limited 5. Indian Coffee and Tea Distributing Company Limited 6. Indo Roses and Floriculture Limited 7. Mammen Mappillai and Investments Private Limited 8. Badra Estates and Industries Limited 9. M.M. Housing Private Limited 10. The Malayala Manorama Company Limited |
| Shareholding as on 31st March 2021 | |
| a) Held individually | 24328 |
| b) Held jointly with others | Nil |

// BY ORDER OF THE BOARD //

For M M RUBBER COMPANY LIMITED

Roy Mammen

Managing Director

(DIN:00077409, Address:No.12,

Walton Road, Bangalore North

Bangalore-560001)

Place: Bangalore

Date: 23-08-2021

E-VOTING FACILITY:

As per Section 108 of the Companies Act, 2013, read with Companies (Management and Administration) Rules 2014, e-voting facility is provided in respect of voting for the resolutions to be passed in the Annual General Meeting.

INSTRUCTIONS FOR E-VOTING:

The company has appointed G Akshay & Associates, Practicing Company Secretaries, #615/22, IV Cross, Raghavendra Colony, Bilekahalli, Behind IIMB, Bannerughatta Road, Bengaluru – 560076, to act as the Scrutinizer for conducting the electronic voting process in a fair and transparent manner as follows:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 26th September 2021 at 9 A.M. and ends on 28th September 2021 at 5 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd September 2021, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

| Type of shareholders | Login Method |
|--|--|
| Individual Shareholders holding securities in Demat mode with CDSL | <ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |

| | |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL | <p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp.</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> |
| Individual Shareholders holding securities in demat mode with NSDL | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| Login type | Helpdesk details |
|---|--|
| Individual Shareholders holding securities in Demat mode with CDSL/Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43. |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

(v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

1. The shareholders should log on to the e-voting website www.evotingindia.com.
2. Click on “Shareholders” module.
3. Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

6. If you are a first-time user follow the steps given below:

| | For Physical shareholders and other than individual shareholders holding shares in Demat. |
|--|--|
| PAN | <ul style="list-style-type: none"> ● Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) ● Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | <ul style="list-style-type: none"> ● Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. ● If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field. |

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; mmfoam12@gmail.com (designated email address by the company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

Pre-Requisites for Stakeholders/panellists/Speakers:

- Participant to join using his/her own laptop on software provided (laptop to have good quality camera and microphone and internet connectivity we strictly recommend dedicated 1-2mbps lease line connection)
- Laptop with Standard configuration. Recommended configuration is: Windows 10 Pro OS, i3 processor, 4 GB Ram, Built Camera or USB Web camera for all Speakers.
- Any Desk software installed for remote access for the Technical team on the host side.
- Good Internet connectivity without proxy & firewall. Recommended speed is 2 mbps (1:1) for all speakers/ stakeholders.
- We will share one link to join the meeting, Customer should accept the meeting invite and join the meeting by accepting the meeting Link.
- Recommended to assign 1 moderator from your side also to handle your all users. We will provide training to your moderator in advance as well as our technical team will also be in support at the time of video conferencing.
- Company panelist members/speakers/viewer to download the respective software/app of respective platform provider for eg: cisco WebEx, webinar or any other platform in advance & ready to connect fast for meeting.

Pre-Requisites for Shareholders/Viewers/ Attendees:

- Any internet enabled device – Laptop/Desktop/Smartphone/Tablet
- Latest internet browser
- Laptop/desktop with at least Core2duo processor, 1GB RAM, good quality multimedia kit, Internet connectivity good quality without proxy & firewall –ideally broadband connectivity- 512 kbps or 2 mbps and above dedicated bandwidth
- Ports 1935, 443 and 80 should be opened to allow streaming content
- iPad viewers to have good internet connection of at least 1 Mbps bandwidth to view the webcast
- Access of Webcast URL.
- Shareholders/viewers/Attendee to download the respective software/app of respective platform provider for eg: cisco WebEx, webinar or any other platform in advance & ready to connect fast for meeting.

FORM No. SH-13
Nomination Form
[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies
(Share Capital and Debentures) Rules 2014]

To
 The Board of Directors,

I _____ the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

| Nature of Securities | Folio No. | No. of Securities | Certificate No. | Distinctive No. | |
|----------------------|-----------|-------------------|-----------------|-----------------|----|
| | | | | FROM | TO |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

(2) PARTICULARS OF NOMINEE/S

| | |
|---|--|
| (a) Name | |
| (b) Date of Birth | |
| (c) Father's/Mother's/Spouse's Name | |
| (d) Occupation | |
| (e) Nationality | |
| (f) Address | |
| (g) E-mail id | |
| (h) Relationship with the security holder | |

(3) IN CASE OF NOMINEE IS A MINOR -

- (a) Date of Birth : _____
- (b) Date of attaining majority : _____
- (c) Name of Guardian : _____
- (d) Address of Guardian : _____

| | |
|-----------------------------|--|
| Name of the Security Holder | |
| Signature | |

Witness

| | |
|---------|--|
| Name | |
| Address | |



M M RUBBER COMPANY LIMITED

CIN: L25190KA1964PLC052092

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

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

BOARD'S REPORT

**To the Members,
M M Rubber Company Limited,**

The Directors have pleasure in presenting before you the 55th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2021.

COMPANY ACTIVITY & PERFORMANCE:

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

FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY:

| Particulars | Financial year ended Mar 31, 2021 ₹ in lakhs | Financial year ended Mar 31, 2020 ₹ in lakhs |
|---|---|---|
| Revenue from Operations | 2792.86 | 3127.01 |
| Other Income | 1.97 | 2.47 |
| Profit before Exceptional Items and Tax | (371.95) | (134.14) |
| Exceptional Items (Expenses)/Income | - | 189.63 |
| Profit before tax | (371.95) | 55.48 |
| Less: Taxation | | |
| Current tax | - | 15.00 |
| Deferred Tax(credit)/Debit | 2.92 | 18.21 |
| Profit for the year | (374.88) | 22.27 |
| Total other comprehensive income (net of tax) | - | 69.58 |
| Total Comprehensive income for the year | (374.88) | 91.85 |

OPERATIONS & PERFORMANCE:

Your directors are pleased to inform that the Company was able to achieve a turnover of Rs. 27.92 crores despite the outbreak of COVID-19 pandemic, which has resulted in significant reduction in sales during the months of April to August 2020. In spite of this the Company would have made a profit if not for the settlement of workers. The company has paid an amount of Rs.336 lakhs as gratuity and compensation to the workers. The settlement is in view of shifting its operation from Chennai to its own unit at Ranipet and those workers who are not willing to go to Ranipet has been offered a settlement. Further the Company has created gratuity fund with LIC by investing an amount of Rs.57.03 lakhs and provided an amount of Rs.24.69 lakhs as leave encashment benefits to its employees and there by the Company has incurred an additional expenditure of Rs.417.72 lakhs. The nationwide lockdown ordered by the government on account of COVID-19 has resulted in significant reduction in economic activities and the business operations of the Company in terms of sales and production.

PROSPECTS:

The Company has shifted its entire operation to its own premises at Ranipet unit and has shifted all its machineries from the Chennai unit to Ranipet. The Company has spent an amount of Rs.260 lakhs during the year on building and machinery at Ranipet unit. There by the Company will be able to produce more and reduce its overheads. Your directors are confident that with this move, company's turnover and the profitability would improve. However, the present situation in view of the out-break of COVID-19 pandemic has put the Company in at tight spot and the prospect for the coming year looks very grim. All efforts are being made to get back to active business.

DIVIDEND:

Company has not declared dividend this year.

RESERVE:

The Company has not proposed to transfer any amount to the general reserve.

CAPITAL STRUCTURE:

a. BUY BACK OF SECURITIES:

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

b. SWEAT EQUITY:

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

c. BONUS SHARES:

No Bonus Shares were issued during the year under review.

d. RIGHTS ISSUE:

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

e. EMPLOYEES STOCK OPTION PLAN:

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

f. SHARES WITH DIFFERENTIAL RIGHTS:

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

g. ISSUE AND ALLOTMENT OF EQUITY SHARES ON THE BASIS OF PREFERENTIAL ALLOTMENT:

Company has not issued equity shares on preferential basis.

LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the year 2020-21 to BSE Limited where the Company's Shares are listed.

DEMATERIALISATION OF SHARES:

Your company's 62.12% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March 2021 and balance 37.88% is in physical form. The Company's Registrars and Transfer Agent is M/s. CAMEO CORPORATE SERVICES LIMITED having their registered office at "Subramanian Building" No. 1, Club House Road, Chennai – 600002.

DIRECTORS & KEY MANAGERIAL PERSONNEL:

As on March 31, 2021, your Board comprises of 5 Directors including 2 Independent Directors. Mr. Jacob Mammen (DIN00078010) Directors of the company retire by rotation and is eligible for reappointment.

DECLARATION BY INDEPENDENT DIRECTORS:

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

BOARD & PERFORMANCE EVALUATION:

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

NOMINATION AND REMUNERATION POLICY:

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

Nomination and Remuneration Policy was approved by the Board at its meeting held on 26.06.2020. In terms of Section 178 of the Act, 2013, the objective of such policy shall be to attract, retain and motivate executive management and remuneration structured to link to Company's Strategic long-term goals, appropriateness, relevance, and risk appetite of the company.

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

NUMBER OF BOARD MEETINGS HELD:

The Board of Directors duly met five times during the financial year from 1st April 2020 to 31st March 2021. The dates on which the meetings were held are as follows:

| Date of Meeting | No. of Directors as on the date | No. of Directors Present |
|-----------------|---------------------------------|--------------------------|
| 26.06.2020 | 5 | 3 |
| 10.08.2020 | 5 | 3 |
| 05.11.2020 | 5 | 5 |
| 10.02.2021 | 5 | 3 |
| 01.03.2021 | 5 | 3 |

NUMBER OF AUDIT COMMITTEE MEETINGS HELD:

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

| Date of Committee Meeting | No. of Members as on date | No. of Members Present |
|---------------------------|---------------------------|------------------------|
| 26.06.2020 | 3 | 2 |
| 10.08.2020 | 3 | 2 |
| 05.11.2020 | 3 | 3 |
| 10.02.2021 | 3 | 2 |

DIRECTORS RESPONSIBILITY STATEMENT:

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

- In the preparation of the annual accounts for the year ended 31st March, 2021, the applicable accounting standards have been followed and there is no material departures;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the same period;
- the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls that are adequate and were operating effectively;
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

Based on the Internal Financial Controls and Compliance Systems established and maintained by the company, work performed by the internal, statutory, and secretarial auditors and reviews performed by the management, the Board is of the opinion that the company's internal financial controls were adequate and effective during the financial year 2020-21.

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

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

| Sr. No | Name | Designation | Remuneration paid FY 2020-21 in lakhs ₹ | Remuneration paid FY 2019-20 in lakhs ₹ | Increase/ (Decrease) in remuneration from previous year in lakhs ₹ | Ratio/Times per Median of employee remuneration |
|--------|-----------------------------------|-------------------------|---|---|--|---|
| 1. | Mr. Roy Mammen | Managing Director | 47.57 | 58.48 | (10.91) | 23.77 |
| 2. | Mr. Machimada Muddappa Kushalappa | Chief Financial Officer | 7.84 | 8.16 | (0.32) | 3.08 |
| 3. | Ms. Sharvari Sham Kulkarni | Company Secretary | 4.51 | 3.26 | 1.25 | 1.35 |

AUDIT OBSERVATIONS:

i) Statutory Auditors:

The Auditors, Messrs. Vandana. P. Rao and Company, (Firm Registration No.011628S), Chartered Accountants, were appointed as Statutory Auditors of the Company for a period of five consecutive years at the Annual General Meeting held on 27th September, 2017, who shall hold office until the conclusion of the 56th Annual general meeting to be held for the financial year 2021-22.

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

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

No material changes and commitments affecting the financial position of the company occurred from the end of the financial year 2020-21 till the date of this report. Further there was no change in the nature of the business of the company.

ii) Cost Auditors:

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

iii) Secretarial Auditor:

M/s. Akshay G and Associates, Bengaluru was appointed as Secretarial Auditor for carrying out the secretarial audit for the financial year 2020-21.

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

iv) Internal Auditor:

Pursuant to the provisions of Section 138 of the Act and the Rules thereunder, your Board had appointed M/s. S.R. Mandre and Co., Chartered Accountants, Bangalore as an Internal Auditors of the Company for the FY 2020-21.

INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY:

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

CONTRACTS AND ARRANGEMENT WITH RELATED PARTIES:

During the year, the Company has not entered any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the company on materiality of related party transactions. Refer Note No.32 to the financial statement which sets out related party disclosures.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

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

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

The Company has an ongoing programme on latex technology development and its related application to various products. Accordingly, the Company has in the past launched new products such as memory mattress, memorise and ortho Bond mattress, contour pillow, haemorrhoid cushions, neck care and coccyx cushions.

2. Technology Absorption, Adaptation, and Innovation :

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

3. Foreign Exchange Earning and Outgo :

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

4. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
The Company has in place a Gender-Neutral Policy on Zero Tolerance towards Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.
5. Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not required by the Company as turnover of the Company is not exceeding 35 Crores and accordingly maintenance of such accounts and records are not required.

DEPOSITS:

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

EXTRACT OF ANNUAL RETURN:

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

DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY:

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

POLICY ON VIGIL MECHANISM:

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

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

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

ORDER OF COURT:

No material orders had been passed by the Regulators or Courts or Tribunals.

CORPORATE SOCIAL RESPONSIBILITY:

The provisions for Corporate Social Responsibility ("CSR") under the Companies Act, 2013, are not applicable to the company for the current financial year.

INTERNAL FINANCIAL CONTROL:

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

ACKNOWLEDGEMENT:

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

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

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

Sd/-
ASHOK KURIYAN
DIRECTOR
(DIN:00081374)

Sd/-
ROY MAMMEN
MANAGING DIRECTOR
(DIN:00077409)

Place: Bangalore
Date: 28.06.2021

ANNEXURE – A



SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March 2021

[Pursuant to section 204(1) of the companies Act, 2013 read with Rule 9 of the companies (Appointment and Remuneration of managerial personnel) Rules, 2014]

To,
The Members,
MM RUBBER COMPANY LIMITED,
Empire Infantry, 3rd Floor, No. 29, Infantry Road, Bangalore- 560001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M M Rubber Company Limited, (CIN L25190KA1964PLC052092) (hereinafter called "the Company"). Secretarial Audit was conducted for the financial year ended on 31st March 2021 in a manner that provided us reasonable basis for evaluating the corporate conduct / statutory compliances and expressing our opinion thereon.

On the basis of the above and on our verification of documents, books, papers, minutes, forms, and returns filed and other records maintained by the company and also information provided by the company, its officers, agents and authorized representatives and considering the relaxation granted by the Ministry of Corporate Affairs and Reserve Bank of India warranted due to the spread of COVID-19 Pandemic, We hereby report that in our opinion, the Company has, during the period covered under the Audit as aforesaid, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March 2021 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the Rules made there under to the extent applicable.
- (ii) The Securities Contracts (Regulation) Act, 1956 and the Rules made there under.
- (iii) The Depositories Act, 1996 and the Regulations and Bye- Laws framed there under.
- (iv) The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992:
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - Not applicable for the period under review.
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - c) The securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not applicable for the period under review.
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not applicable for the period under review.
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable for the period under review.
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable for the period under review.
 - h) The Securities and Exchange Board of India (Buy -Back of Securities) Regulations, 2018 - Not applicable for the period under review.
 - I) The Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015
- (v) Applicable Labour Laws

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

- a) The clauses of the Listing Agreement entered into by the Company with Bombay Stock Exchange Limited under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

b) The secretarial standards 1 & 2 issued by the Institute of Company Secretaries of India.

On the basis of the information and explanation provided, the company had no transaction during the period under Audit requiring the compliance of applicable provisions of the Act / Regulation / Directions as mentioned above in respect of:

- a) Issue of securities
- b) Issue of dividends
- c) Buy-back of securities
- d) Foreign Direct Investment
- e) Overseas Investment.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards, subject to following observations;

Observation:

SEBI vide its circular SEBI/HO/MIRSD/RTAMB/CIR/P/2019/122 dated November 05, 2019 has issued directive to all listed companies/RTAs (Registrar and Share Transfer Agents) that "All Listed companies or their RTAs shall provide data of their members holding shares in physical mode, viz the name of shareholders, folio numbers, certificate numbers, distinctive numbers and PAN etc. (hereinafter, static database) as on March 31, 2019, to the Depositories, latest by December 31, 2019." In such case the Static Data of Physical shares is not uploaded by the Company/its RTA in NSDL system before February 14, 2020, processing of demat requests / remat requests get impacted inconveniencing the shareholders and also is in non-compliance with the aforesaid SEBI directive. As per the management representation, the Company's RTA had initiated the process of uploading the requisite details with the Depositories as and when they received demat requests from shareholders. Even so, the Company/ its RTA had not uploaded the Static Data of the members holding shares in physical mode with the Depositories within the stipulated time given under SEBI directive. As on the report date, the static data as required under the SEBI directive has been updated completely by the RTA with the Depositories.

We further report that the Board of Directors of the company is duly constituted with the proper balance of Executive Directors and Non-Executive Directors. The changes made to the Composition of the Board of Directors were duly carried out during the period covered under the Audit.

Adequate notice and detailed notes on Agenda were given to all Directors to schedule the Board meeting. There exists a system for seeking and obtaining further information and clarifications on the Agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and recorded as part of the minutes. We did not find any dissenting directors' views in the minutes.

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

We further report that during the period covered under the Audit, the company has made the following specific actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations and guidelines.

a) The company has paid an amount of Rs. 336 lakhs as gratuity and compensation as settlement in view of shifting its operation to Chennai to its own unit at Ranipet and those workers who were not willing to go to Ranipet were offered and paid settlement.

Further, the Company has created gratuity fund with LIC by investing an amount of Rs. 57.03 lakhs and providing an amount of Rs. 24.69 lakhs as leave encashment benefits to its employees and thereby the Company has incurred an additional expenditure of Rs. 417.72 lakhs.

Sd/-

G Akshay & Associates
Practicing Company Secretary
Membership No. F10967
C.P.No. 15584
UDIN:F010967C000709379

Place: Bengaluru
Date: 30-07-2021

ANNEXURE – B**EXTRACT OF ANNUAL RETURN
FORM MGT-9**

(Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014)

FINANCIAL YEAR ENDED ON 31.03.2021**I. REGISTRATION & OTHER DETAILS:**

| | | | |
|-----|--|---|---|
| i | CIN | : | L25190KA1964PLC052092 |
| ii | Registration Date | : | 18/08/1964 |
| iii | Name of the Company | : | M M RUBBER COMPANY LIMITED |
| iv | Category/Sub-category of the Company | : | Company Limited by Shares |
| v | Address of the Registered Office & contact details | : | "Empire Infantry", 3rd Floor, No.29, Infantry Road, Bangalore -560001, Karnataka |
| vi | Whether listed company | : | Yes (Listed in BSE Limited) |
| vii | Name, Address & contact details of the Registrar & Transfer Agent, if any. | : | CAMEO CORPORATE SERVICES LIMITED "Subramanian Building" No.1, Club House Road, Chennai-600002 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

| SL NO. | NAME & DESCRIPTION OF MAIN PRODUCTS/SERVICES | NIC CODE OF THE PRODUCT /SERVICE | % TO TOTAL TURNOVER OF THE COMPANY |
|--------|---|----------------------------------|------------------------------------|
| 1 | Manufacture of Foam based products such as Beds & Pillows | 25 | 80 |

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:

| SL. NO. | NAME & ADDRESS OF THE COMPANY | CIN/GLN | HOLDING/ SUBSIDIARY/ ASSOCIATE | % OF SHARE HELD | APPLICABLE SECTION |
|--|-------------------------------|---------|--------------------------------|-----------------|--------------------|
| The Company does not have any Holding, Subsidiary or associate companies | | | | | |

IV SHAREHOLDING PATTERN (Equity Share Capital Break up as % to total Equity) :
(i) Categorywise Share Holding:

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | %change During the year |
|--|---|----------------|----------------|------------------|---|----------------|----------------|------------------|-------------------------|
| | Demat | Physical | Total | % of Total Share | Demat | Physical | Total | % of Total Share | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | 205581 | 0 | 205581 | 3.2992 | 205581 | 0 | 205581 | 3.2992 | 000 |
| b) Central Govt. or State Govt. | - | - | - | - | - | - | - | - | - |
| c) Bodies Corporates | - | - | - | - | - | - | - | - | - |
| d) Bank/FI | - | - | - | - | - | - | - | - | - |
| e) Any other | - | - | - | - | - | - | - | - | - |
| Directors and their relatives | | | | | | | | | |
| SUB TOTAL:(A) (1) | 205581 | 0 | 205581 | 3.2992 | 205581 | 0 | 205581 | 3.2992 | 00 |
| (2) Foreign | | | | | | | | | |
| a) NRI- Individuals | - | - | - | - | - | - | - | - | - |
| b) Other Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corporates | - | - | - | - | - | - | - | - | - |
| d) Banks/FI | - | - | - | - | - | - | - | - | - |
| e) Any other | - | - | - | - | - | - | - | - | - |
| SUB TOTAL (A) (2) | - | - | - | - | - | - | - | - | - |
| Total Shareholding of Promoter (A)= (A)(1)+(A)(2) | 205581 | 0 | 205581 | 3.2992 | 205581 | 0 | 205581 | 3.2992 | 00 |
| B. PUBLIC SHAREHOLDING | | | | | | | | | |
| 1) Institutions | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks/FI | - | 700 | 700 | 0.0112 | - | 700 | 700 | 0.0112 | 00 |
| c) Central Government | - | - | - | - | - | - | - | - | - |
| d) State Government | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Fund | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIIS | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| SUB TOTAL (B) (1) | - | 700 | 700 | 0.0112 | - | 700 | 700 | 0.0112 | 00 |
| 2) Non-Institutions | | | | | | | | | |
| a) Bodies Corporates | 288710 | 400579 | 689289 | 11.0621 | 278587 | 400579 | 679166 | 10.8996 | -0.1624 |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital up to 1 lakh | 1900262 | 1717618 | 3617880 | 58.0618 | 1846237 | 1717618 | 3563855 | 57.1948 | -0.8670 |
| ii) Individual shareholders holding nominal share capital in excess of 1 lakhs | 1401291 | 181114 | 1582405 | 25.3953 | 1463870 | 181114 | 1644984 | 26.3996 | 1.0043 |
| c) Any other (specify) | | | | | | | | | |
| i) Hindu Undivided Families | 34683 | 0 | 34683 | 0.5566 | 34174 | 0 | 34174 | 0.5484 | -0.0081 |
| ii) Clearing Members | 297 | 0 | 297 | 0.0047 | 1143 | 0 | 1143 | 0.0183 | 0.0135 |
| iii) NRIs | 39600 | 60255 | 99855 | 1.6025 | 41023 | 60255 | 101278 | 1.6253 | 0.0228 |
| d) Foreign Bodies corporates | - | - | - | - | - | - | - | - | - |
| e) Trusts | 191 | 200 | 391 | 0.0062 | 0 | 200 | 200 | 0.0032 | -0.0030 |
| SUB TOTAL (B) (2) | 3665034 | 2359766 | 6024800 | 96.6894 | 3665034 | 2359766 | 6024800 | 96.6894 | 0.0000 |
| Total Public shareholding (B)=(B)(1)+(B)(2) | 3665034 | 2360466 | 6025500 | 96.7007 | 3665034 | 2360466 | 6025500 | 96.7007 | 0.0000 |
| TOTAL (A)+(B) | 3870615 | 2360466 | 6231081 | 100.0000 | 3870615 | 2360466 | 6231081 | 100.0000 | 0.0000 |
| C. SHARES HELD BY CUSTODIAN FOR GDRs & ADRs | | | | | | | | | |
| GRAND TOTAL (A+B+C) | 3870615 | 2360466 | 6231081 | 100.000 | 3870615 | 2360466 | 6231081 | 100.0000 | 0.0000 |

(ii) Share Holding of Promoters:

| Sl. No. | Shareholders Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % of change in shareholding during the year |
|---------|-------------------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
| | | No. of Shares | % of total shares of the Company | % of shares pledged encumbered to total shares | No. of Shares | % of total shares of the Company | % of shares pledged encumbered to total shares | |
| 1. | Mr. Mammen Philip | 95363 | 1.5304 | - | 95363 | 1.5304 | - | 0 |
| 2. | Ms. Meera Philip & Mr. Peter Philip | 106668 | 1.7117 | - | 106668 | 1.7117 | - | 0 |
| 3. | Mr. Peter Philip | 3550 | 0.0569 | - | 3550 | 0.0569 | - | 0 |

(iii) Change In Promoters' Shareholding (Specify if there is no change):

| Sl. No. | | Shareholding at the beginning of the Year | | Cumulative Shareholding during the year | |
|---------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | At the beginning of the year | 205581 | 3.2992 | 205581 | 3.2992 |
| 2 | Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.) | There is no change in the promoter's shareholding | | | |
| 3 | At the end of the year | 205581 | 3.2992 | 205581 | 3.2992 |

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

| Sl. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the Year | | Cumulative Shareholding during the year | |
|---------|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | Mr. Naveen Bothra | 400000 | 6.4194 | 427964 | 6.8682 |
| 2 | Beebi Mammen | 213225 | 3.4219 | 213225 | 3.4219 |
| 3 | Braga Industries LLP | 201613 | 3.2356 | 201613 | 3.2356 |
| 4 | Ashok Peter Jacob | 201613 | 3.2356 | 201613 | 3.2356 |
| 5 | Jatinder Agarwal | 122889 | 1.9721 | 125000 | 2.0060 |
| 6 | M/S. M M Housing Private Ltd | 86354 | 1.3858 | 86354 | 1.3858 |
| 7 | M/S. Devon Plantations & Industries Limited | 82814 | 1.3290 | 82814 | 1.3290 |
| 8 | T K Kurien | 80645 | 1.2942 | 80645 | 1.2942 |
| 9 | M/S. Badra Estates & Industries Ltd | 70000 | 1.1234 | 70000 | 1.1234 |
| 10 | Sharad Kanayalal Shah | 53700 | 0.8618 | 86204 | 1.3834 |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | For Each of the Directors & KMP | Shareholding at the beginning of the Year | | Cumulative Shareholding during the year | |
|---------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | Shareholding of Key Managerial Personnel: | | | | |
| 1 | Mr. Roy Mammen | 296514 | 4.7586 | 296514 | 4.7586 |
| | Shareholding of Directors: | | | | |
| 2 | Ms. Susan Kurian | 7000 | 0.1405 | 9000 | 0.1444 |
| 3 | Mr. Jacob Mammen | 24328 | 0.3904 | 24328 | 0.3904 |
| 4 | Mr. Ashok Kuriyan | 3275 | 0.0525 | 3275 | 0.0525 |
| 5 | Mr. Karun Philip | 74259 | 1.1917 | 74259 | 1.1917 |

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment (in lakhs)

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 104.47 | 00.00 | - | 104.47 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i + ii + iii) | 104.47 | 00.00 | - | 104.47 |
| Change in Indebtedness during the financial year | | | | |
| • Addition | - | 300.00 | - | 300.00 |
| • Reduction | 30.21 | 00.00 | - | 30.21 |
| Net Change | | | | |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 74.26 | 300.00 | - | 374.26 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i + ii + iii) | 74.26 | 300.00 | - | 374.26 |

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

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/ Manager/ Company Secretary/ CFO | | | Total Amount |
|---------|---|---|---|--|--------------|
| | | Mr. Roy Mammen (Managing Director) | Mr. Machimada Muddappa Kushalappa (CFO) | Ms. Sharvari Sham Kulkarni (Company Secretary) | |
| | Gross salary | | | | |
| 1 | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 17.85 | 7.84 | 4.51 | 30.20 |
| | (b) Value of perquisites u/s 17(2) Income Tax Act, 1961 | 29.72 | - | - | 29.72 |
| | (c) Profits in lieu 17(3) Income Tax Act, 1961 | - | - | - | - |
| 2 | Stock Option | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission | | | | |
| | - as % of profit | - | - | - | - |
| | - others, specify | - | - | - | - |
| 5 | Others, please specify (Fee for attending committee meetings) | NIL | - | - | - |
| | Total | 47.57 | 7.84 | 4.51 | 59.92 |

B) Remuneration to other Directors:

(In lakhs)

| Sl. No. | Particulars of Remuneration | Name of Director | | | | Total Amount |
|----------|--|-------------------|------------------|------------------|------------------|--------------|
| | | Mr. Ashok Kuriyan | Mr. Jacob Mammen | Mr. Karun Philip | Mr. Susan Kurian | |
| 1 | Independent Directors | | | | | |
| | • Fee for attending committee meetings | 0.150 | - | - | 0.030 | 0.180 |
| | • Commission | - | - | - | - | - |
| | • Others, please specify | - | - | - | - | - |
| | Total (1) | 0.150 | - | - | 0.030 | 0.180 |
| 2 | Other Non-Executive Directors | | | | | |
| | • Fee for attending Board Committee meetings | - | 0.150 | 0.030 | - | 0.180 |
| | • Commission | - | - | - | - | - |
| | • Others, please specify | - | - | - | - | - |
| | Total (2) | - | 0.150 | 0.030 | - | 0.180 |
| | Total (1) + (2) | 0.150 | 0.150 | 0.030 | 0.030 | 0.360 |
| 1 | Income Tax Act, 1961 Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961 | - | - | - | - | - |
| 2 | Stock option | - | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - | - |
| 4 | Commission | | | | | |
| | - as % of profit | - | - | - | - | - |
| | - Others please specify | - | - | - | - | - |
| 5 | Others please specify | - | - | - | - | - |
| | Total | 0.150 | 0.150 | 0.030 | 0.030 | 0.360 |

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

FORM NO. AOC-2**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

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

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

M M Rubber Company Limited has not entered into any contract/arrangement/transaction with its related parties which is not in ordinary course of business or at arm's length during FY 2020-21.

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

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

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

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

ANNEXURE -C

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

a) Internal Control Systems and their Adequacy:

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

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

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

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

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

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

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

c) Financial and Operational Performance:

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

d) Human Resources Development and Industrial Relations:

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

e) Cautionary Statement:

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

// BY THE ORDER OF THE BOARD //
For M M RUBBER COMPANY LIMITED

ASHOK KURIYAN
DIRECTOR
(DIN:00081374)

ROY MAMMEN
MANAGING DIRECTOR
(DIN:00077409)

Place: Bangalore
Date: 28-06-2021

ADDENDUM REGARDING QUALIFICATION IN AUDITORS REPORT:

The Auditors in their report have qualified the following:

1. Non-ascertainment of impairment of assets.
2. Valuation of finished products.

Your Directors wish to clarify as under: -

- a) As already reported, the company has completed the verification of continuing assets which are in use after the closure of the BOPP division. However, the Company has shifted its production facilities from Chennai to its own unit at Ranipet recently, therefore company is yet to ascertain the impairment of assets, if any, of the value of assets.
- b) 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 THE ORDER OF THE BOARD //
For M M RUBBER COMPANY LIMITED

Place: Bangalore
Date: 28-06-2021

ASHOK KURIYAN
DIRECTOR
(DIN:00081374)

ROY MAMMEN
MANAGING DIRECTOR
(DIN:00077409)

INDEPENDENT AUDITORS' REPORT

To The Members of M M Rubber Company Limited**Report on the Audit of the Financial Statements****Qualified Opinion**

We have audited the accompanying financial statements of M M Rubber Company Limited, (The Company) Bangalore which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit & Loss (including Other Comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and notes to the financial statements including a summary of significant accounting policies and the other explanatory information. (Hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for disclosure of the information referred to in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and the loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

As discussed in

1. Note No. 36 to the *Ind AS* financial statements the Company's *valuation of finished goods for the reasons stated in Note is not valued as per Indian Accounting Standard No. 2* as at 31 March, 2021.
2. Note No.37 to the *Ind AS* financial statements, *in the absence of updation of Fixed Asset Register, the company is in the process of ascertaining the impairment, if any, on any of the fixed assets, to this extent, Ind AS Accounting Standard No. 36 (Impairment of fixed assets) has not been complied.*
3. *In the absence of sufficient appropriate evidence and information we are unable to quantify and comment upon the consequential impact if any on the accompanying Ind AS financial statements.*

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

Key Audit Matters

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

| Sl No. | Key Audit Matters | Auditor's Response |
|--------|--|--|
| 1 | <p>Accuracy and completeness of related party transactions and disclosures (as described in Note No. 32 of Ind AS Financial Statements.</p> <p>The Company has undertaken transactions with its related parties in the normal course of business at arm's length. These include lending and borrowing of Inter-corporate deposits and short term loans to or from the related parties.</p> <p>We identified the accuracy and completeness of said related party transactions and its disclosure as set out in respective notes to the financial statements as a key audit matters due to the significance of transactions with related parties during the year ended 31.3.2021 and regulatory compliance thereon.</p> | <p>Principal Audit Procedures</p> <p>Obtained and read the Company's policies, processes and procedures in respect of identifying related parties, evaluation of arm's length, obtaining approval, recording and disclosure of related party transactions.</p> <p>Read minutes of shareholder meetings, board meetings and minutes of meetings of those charged with governance in connection with Company's assessment of related party transactions being in the ordinary course of business at arm's length.</p> <p>Tested related party transactions with the underlying contracts, confirmation letters, filing of returns with ROC and other supporting documents</p> <p>Agreed the related party information disclosed in the Ind AS financial statements with the underlying supporting documents</p> |

| Sl No. | Key Audit Matters | Auditor's Response |
|--------|---|---|
| 2 | <p>Revenue recognition: Discounts, Incentives and Rebates etc.: As disclosed in note 20 to the financial statements, Sale of products is measured net of any Sales discounts and note 27 to the financial statements, with regard to Turnover discount, Commission on sales, Prompt payment discount.</p> <p>Total Amount involved on all the aforesaid head of accounts is quite substantial compared to the turnover .Therefore We identified the evaluation of accrual for Commission and discounts as a key audit matter.</p> <p>Material estimation by the Company is involved in recognition and measurement of discounts and commission. This includes establishing an accrual at year end, particularly in arrangements with varying terms which are based on shorter-term arrangements. In addition, the value and timing of promotions for products varies from period to period, and the activity can span beyond the year end.</p> | <p>Principal Audit Procedures</p> <p>Assessed the appropriateness of the Company's revenue recognition accounting policies, those relating to trade allowances and rebates by comparing with applicable accounting standards.</p> <p>Testing the design, implementation and operating effectiveness of Company's general IT controls</p> <p>Inspecting on a sample basis, key customer contracts. Based on the terms and conditions relating to Commission and discounts, we assessed the Company's revenue recognition policies with reference to the requirements of the applicable accounting standards;</p> <p>Performing substantive testing by selecting samples of Commission and discount transactions recorded during the year including credit notes issued and matching the parameters used in the computation with the relevant source documents;</p> <p>Understanding the process followed by the Company to determine the amount of accrual of Commission and discounts.</p> <p>Checking completeness and accuracy of the data used by the Company for accrual of Commission and discounts</p> |

Emphasis of Matter

We draw attention to Note No. 39 to the Financial Statement, which describes the economic and social consequences the entity is facing as a result of Covid-19 which is impacting operations of the Company, supply chains, personnel available for work etc.

Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Management and Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Management's and Board of Directors Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the Act) with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS). This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities: selection and application of appropriate accounting policies: making judgments and estimates that are reasonable and prudent: and the

design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of management's and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit & Loss including other comprehensive income, the Cash Flow statement and statement of changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the financial statements.
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of Act, except for disclosure of the information referred to in the Basis for Qualified Opinion section of our report read with relevant Rules thereunder.
 - e) On the basis of the written representations received from the directors as on 31st March, 2021 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as of March 31, 2021.
 - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, based on the comments in the Auditor's Report of the Company and on the auditor's reports issued in accordance with the Order, we give in the annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

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

(CA. VANDANA. P. RAO)
Proprietrix
Mem No. 218797

Place : Bangalore
Date : 28-06-2021

ANNEXURE 'A 'TO THE AUDITOR'S REPORT

Annexure referred to in Independent Auditor's Report to the members of the company on the financial statements for the year ended 31st March, 2021, we report that:

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets; however, such Fixed Asset records do not show updated value both in respect of Gross Block and Net Block.
(b) The Fixed assets were physically verified by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. Accordingly, to the information and explanations given to us no material discrepancies were noticed on such verification.
(c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
- ii) The Inventory has been physically verified during the year by the management at reasonable intervals. There were no material discrepancies noticed on such physical verification.
- iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Hence sub clauses (a) (b) and (c) are not applicable.
- iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to loans, making investments, and providing guarantees and securities made.
- v) According to information and explanations given to us, the Company has not accepted any public deposit during the year and does not have any unclaimed deposit. There have been no instances where order has been passed by Company Law Board or National Company Law Tribunal for any contravention.
- vi) Having regard to the nature of the Company's business/activities, reporting under clause (VI) of the order with regard to cost records is not applicable.
- vii) (a) According to the information and explanations given to us, and on the basis of our examination of the records of the company, amounts deducted/accrued in the books of account in respect of the undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Income-tax, Vat, Customs Duty, Excise Duty, GST, Cess and other statutory dues with the appropriate authorities.
(b) According to the information and explanations given to us, There were no undisputed amounts payable in respect of Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Income-tax, Vat, Customs Duty, Excise Duty, GST, Cess and other statutory dues were in arrears as at 31st March 2021, for a period of more than six months from the date they became payable.
- viii) In our opinion and according to information and explanations given to us, the company has not defaulted in repayment of dues to any financial institutions, banks. The Company has not issued any debentures.
- ix) The company did not raise any money by way of initial public offer including Debt instrument or further public offer or term loans during the year.
- x) According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit, nor have been informed of any such case by the management.
- xi) According to the information and explanations given to us and based on our examination of the records of the company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of the section 197 read with schedule 5 to the Act.
- xii) In our opinion and according to the information and explanations given to us, the company is not a Nidhi company. Accordingly, paragraph 3 (xii) of the order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions has been disclosed in the financial statements as required by the applicable accounting standards.

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- xiv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placements of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations given to us and based on our examinations of the records of the company, the company has not entered into non -cash transactions with directors or persons connected with them, and hence provisions of section 192 of the companies Act, 2013 are not applicable to the Company.
- xvi) The company is not required to be registered under section 45 – 1A of the Reserve Bank of India Act, 1934.

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

Place: Bangalore
Date: 28-06-2021

(CA. VANDANA.P.RAO)
Proprietrix
Mem No. 218797

ANNEXURE 'B 'TO THE AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of M M Rubber Co Ltd (the Company) as of 31st March 2021 in conjunction with our audit of the financial statements of the company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of the reliable financial information, as required under the companies act, 2013 (hereinafter referred to as "Act")

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note on Audit of Internal Financial Controls over Financial reporting issued by the Institute of Chartered Accountants of India to the extent applicable to an audit of Internal Financial controls. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the

maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

- a) The Company has in its books fixed assets with Gross block to the tune of Rs. 214,552,564/- and net block of Rs. 117,298,345/--, However, both these values does not reflect the values from the date of incorporation of the Company and it is only for a limited period and Limited items of fixed assets.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an Internal Financial Controls with reference to financial statements over financial reporting subject to qualified opinion above and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on audit of Internal Financial Controls over financial reporting issued by the Institute of Chartered Accountants of India.

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

(CA. VANDANA.P.RAO)
Proprietrix
Mem No. 218797

Place: Bangalore
Date: 28-06-2021

BALANCE SHEET AS AT 31ST MARCH 2021

| Particulars | Note No. | As at March 31, 2021 ₹ | As at March 31, 2020 ₹ |
|---|----------|------------------------------|------------------------------|
| I. ASSETS | | | |
| Non-current assets | | | |
| (a) Property, plant and equipment | 2 | 117,298,345 | 101,967,850 |
| (b) Financial assets | | | |
| (i) Investments | 3 | 8,567 | 8,567 |
| (ii) Other financial assets | 4 | 1,005,043 | 812,662 |
| (c) Deferred tax assets | | - | - |
| (d) Other non-current assets | 5 | 2,393,474 | 2,392,094 |
| Total Non-current assets | | 120,705,429 | 105,181,173 |
| Current assets | | | |
| (a) Inventories | 6 | 49,720,560 | 56,671,651 |
| (b) Financial assets | | | |
| (i) Trade receivables | 7 | 21,987,485 | 17,972,694 |
| (ii) Cash and cash equivalents | 8 | 4,585,946 | 23,072,099 |
| (iii) Other Bank balances | 8 | 200,000 | 200,000 |
| (iv) Other financial assets | 9 | 6,321,791 | 5,191,983 |
| (c) Other Current Assets | 10 | 11,840 | 3,326,549 |
| Total Current assets | | 82,827,622 | 106,434,976 |
| TOTAL ASSETS | | 203,533,051 | 211,616,149 |
| I. EQUITY AND LIABILITIES | | | |
| Shareholders' funds | | | |
| (a) Share capital | 11 | 12,462,162 | 12,462,162 |
| (b) Other equity | 12 | 103,302,285 | 140,790,297 |
| TOTAL EQUITY | | 115,764,447 | 153,252,459 |
| II. LIABILITIES | | | |
| Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 13 | 4,381,987 | 10,447,057 |
| (b) Deferred tax liabilities (net) | 14 | 19,445,728 | 19,152,813 |
| Total Non current liabilities | | 23,827,715 | 29,599,870 |
| Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 15 | 30,000,000 | - |
| (ii) Trade payables | | | |
| (i) micro and small enterprises, and | 16 | 6,047,732 | 356,390 |
| (ii) other than micro and small enterprises | 16 | 10,355,751 | 20,980,090 |
| (iii) Other financial liabilities | 17 | 8,076,669 | 5,127,377 |
| (b) Other current liabilities | 18 | 9,460,737 | 2,299,963 |
| (c) Current Tax Liabilities (Net) | 19 | - | - |
| Total Current liabilities | | 63,940,889 | 28,763,820 |
| TOTAL EQUITY AND LIABILITIES | | 203,533,051 | 211,616,149 |

As per our Report of even date

For Vandana Rao And Company

Chartered Accountants

FRN No. 011628S

CA. VANDANA. P. RAO

PROPRIETRIX

MEM No. 218797

PLACE : BANGALORE

DATE:28-06-2021

For and on behalf of the Board

ROY MAMMEN
MANAGING DIRECTOR**JACOB MAMMEN**
DIRECTOR**ASHOK KURIYAN**
DIRECTOR**MACHIMADA MUDDAPPA KUSHALAPPA**
CHIEF FINANCIAL OFFICER**SHARVARI SHAM KULKARNI**
COMPANY SECRETARY

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2021

| Particulars | Note No. | Year Ended | |
|--|----------|---------------------|---------------------|
| | | March 31, 2021 | March 31, 2020 |
| | | ₹ | ₹ |
| I Revenue from operations | 20 | 279,285,667 | 312,701,913 |
| II Other income | 21 | 197,196 | 247,551 |
| III Total revenue (I + II) | | <u>279,482,863</u> | <u>312,949,464</u> |
| IV Expenses: | | | |
| Purchases of stock in trade | 22 | 128,056,737 | 154,955,324 |
| Changes in inventories of finished goods, Work in progress and Stock-in-Trade | 23 | <u>6,951,091</u> | <u>(13,466,440)</u> |
| | | 135,007,828 | 141,488,884 |
| Employee benefits expense | 24 | 83,034,800 | 60,412,244 |
| Finance costs | 25 | 2,000,859 | 4,129,401 |
| Depreciation and amortization expense | 26 | 4,683,534 | 3,669,063 |
| Other expenses | 27 | <u>91,950,938</u> | <u>116,664,371</u> |
| | | 316,677,959 | 326,363,963 |
| Less: expenses capitalised | | - | - |
| Total expenses | | <u>316,677,959</u> | <u>326,363,963</u> |
| V Profit before exceptional and extraordinary items and tax (III-IV) | | (37,195,096) | (13,414,499) |
| VI Exceptional Items | 21A | - | 18,963,126 |
| VII Profit before extraordinary items and tax (V-VI) | | (37,195,096) | 5,548,627 |
| VIII Extraordinary items | | - | - |
| IX Profit before tax (VII-VIII) | | (37,195,096) | 5,548,627 |
| X Tax expense: | | | |
| Current tax | | - | 1,500,000 |
| Deferred tax | 40 | <u>292,916</u> | <u>1,821,076</u> |
| XI Profit for the year from continuing operations (IX- X) | | (37,488,012) | 2,227,551 |
| XII Profit/(loss) from discontinuing operations | | - | - |
| XIII Tax expense of discontinuing operations | | - | - |
| XIV Profit/(loss) from discontinuing operations (after tax) (XII-XIII) | | - | - |
| Other comprehensive income | | | |
| (i) Items that will not be reclassified to profit or loss | | | |
| a) Revaluation of property, plant and equipment | | - | 9,402,765 |
| b) Less: Taxes on above | 40 | <u>-</u> | <u>2,444,719</u> |
| (ii) Items that may be reclassified to profit or loss | | | |
| a) Mark to Market of Investments | | - | - |
| b) Taxes on above | | <u>-</u> | <u>6,958,046</u> |
| XV Profit/Loss for the year (XI + XIV) | | (37,488,012) | 9,185,597 |
| XVI Earning per equity share before exceptional item: | | | |
| Basic & diluted (in ₹) | 29 | -6.02 | -2.15 |
| XVII Earning per equity share after exceptional item: | | | |
| Basic & diluted (in ₹) | 29 | -6.02 | 0.36 |
| Paid up value per share | | 2 | 2 |

As per our Report of even date

For and on behalf of the Board

For Vandana Rao And Company

Chartered Accountants

FRN No. 011628S

ROY MAMMEN
MANAGING DIRECTOR**JACOB MAMMEN**
DIRECTOR**ASHOK KURIYAN**
DIRECTOR**CA. VANDANA. P. RAO**

PROPRIETRIX

MEM No.218797

PLACE : BANGALORE

DATE: 28-06-2021

MACHIMADA MUDDAPPA KUSHALAPPA
CHIEF FINANCIAL OFFICER**SHARVARI SHAM KULKARNI**
COMPANY SECRETARY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

| Particulars | Year Ended March 31, 2021 ₹ | Year Ended March 31, 2020 ₹ |
|--|-----------------------------------|-----------------------------------|
| Cash flows from operating activities | | |
| Profit / (Loss) before taxation | (37,195,096) | 5,548,627 |
| Adjustments for: | | |
| Depreciation and amortisation | 4,683,534 | 3,669,063 |
| Other Income | (197,196) | (247,551) |
| Loss on sale of fixed assets | 14,842 | |
| Finance costs | 2,000,859 | 4,129,401 |
| | <u>6,502,039</u> | <u>7,550,913</u> |
| | <u>(30,693,057)</u> | <u>13,099,540</u> |
| Increase/ decrease in trade receivables | (4,014,791) | 2,606,347 |
| Increase/ decrease in inventories | 6,951,091 | (13,466,440) |
| Increase/ decrease in other assets | 1,991,140 | 187,468 |
| Increase/ decrease in other liabilities | 10,110,066 | (8,021,137) |
| Increase/ decrease in trade payables | (4,932,997) | 745,710 |
| | <u>10,104,509</u> | <u>(17,948,052)</u> |
| | <u>(20,588,549)</u> | <u>(4,848,512)</u> |
| Income taxes paid | - | (1,500,000) |
| Net cash from operating activities | <u>(20,588,549)</u> | <u>(6,348,512)</u> |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (20,368,004) | (10,500,511) |
| Proceeds from sale of property, plant and equipment | 339,133 | 130,013 |
| Other Income | 197,196 | 247,551 |
| Net cash from investing activities | <u>(19,831,675)</u> | <u>(10,122,947)</u> |
| Cash flows from financing activities | | |
| Proceeds from issue of share capital | - | 77,531,992 |
| Proceeds/(repayment) process from long term borrowings | (6,065,070) | 334,624 |
| Proceeds/(repayment) of long term borrowings | 30,000,000 | (39,657,011) |
| Finance costs | (2,000,859) | (4,129,401) |
| Net cash from financing activities | <u>21,934,071</u> | <u>34,080,204</u> |
| Net increase/(decrease) in cash and cash equivalents | <u>(18,486,153)</u> | <u>17,608,745</u> |
| Cash and cash equivalents at beginning of the year | <u>23,272,099</u> | <u>5,663,354</u> |
| Cash and cash equivalents at end of the year | <u>4,785,946</u> | <u>23,272,099</u> |

Cash & Cash equivalents:

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

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

For and on behalf of the Board

ROY MAMMEN
MANAGING DIRECTOR

JACOB MAMMEN
DIRECTOR

ASHOK KURIYAN
DIRECTOR

CA. VANDANA. P. RAO
PROPRIETRIX
MEM NO.218797
PLACE : BANGALORE
DATE:28-06-2021

MACHIMADA MUDDAPPA KUSHALAPPA
CHIEF FINANCIAL OFFICER

SHARVARI SHAM KULKARNI
COMPANY SECRETARY

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

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

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

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

b. USE OF ESTIMATES:

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

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

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

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

(ii) Intangible Assets:

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

(iii) Depreciation & Amortization:

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

d. INVESTMENTS:

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

e. INVENTORIES:

(i) Inventories does not include spare parts ,servicing equipment and stand by equipment which meet definition of PPE as per AS-10 (revised) .

(ii) Raw materials, stores, spare parts and components are valued at cost on weighted average basis or net realizable value whichever is lower.

(iii) Work in progress is valued at works cost or net realizable value whichever is lower.

(iv) Finished goods are valued at net billing price (please refer Note No.36 to the Ind AS Financial Statements).

(v) Material cost of work in progress and finished goods are computed on weighted average basis.

f. REVENUE RECOGNITION:**Revenue from contracts with customer**

Revenue from contract with customers is recognised when the Group satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations maybe satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognised as per the terms of relevant contractual agreements/ arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

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

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

g. EMPLOYEE BENEFITS:**(i) Short term employee benefits:**

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

(ii) Defined contribution plans:

The Company has contributed to provident and pension which are defined contribution plans. The contributions paid/ payable under the scheme are recognized as an expense during the year in which employee renders the related service. The contributions as specified under the law are paid to the provident fund set up by respective Regional Provident fund Commissioner. The Company has no further payment obligations once the contributions have been paid.

(iii) Gratuity Fund

The company makes contributions to gratuity funds administered by the Trustees for amounts notified by the funds. The Gratuity plan provides for lump sum payment to vested employees on retirement, death or termination of employment of an amount based on the respective employee's last drawn salary and tenure of employment .The company accounts for the net present value of its obligations for gratuity benefits, based on an independent actuarial valuation, determined on the basis of the projected unit in the other comprehensive income and reflected in retained earnings.

(iv) Compensated Absences:

Entitlement to annual leave is recognized when it accrues to employees .The Company determines the liability for such accumulated leave at each Balance sheet date and the same is charged to revenue accordingly.

h. TAXES ON INCOME:

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

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

i. BORROWING COSTS:

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

j. IMPAIRMENT OF ASSETS:

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

k. PROVISIONS AND CONTINGENT LIABILITIES:

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

l. EARNINGS PER SHARE:

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

m. FINANCIAL INSTRUMENTS:

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

(i) Cash and Cash Equivalents:

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

(ii) Financial assets at amortized cost:

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

(iii) Financial liabilities:

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

n. IMPAIRMENT:

(i) Financial Assets:

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

(ii) Non Financial Assets:

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

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

Recent Accounting Developments Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

NOTES TO FINANCIAL STATEMENTS

2. Property Plant and Equipment:

Tangible assets

| Particulars | Land | Building | Moulds | Plant & Machinery | Office equipments | Furniture and fittings | Motor vehicles | Total |
|-------------------------------------|-------------------|-------------------|------------------|-------------------|-------------------|------------------------|------------------|--------------------|
| | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| Gross Block | | | | | | | | |
| Balance as at 31 March, 2019 | 41,000,000 | 32,613,958 | 9,351,215 | 73,639,173 | 6,886,867 | 5,088,846 | 8,211,937 | 176,791,996 |
| Additions | - | 900,539 | - | 3,991,670 | 1,932,116 | 3,676,186 | - | 10,500,511 |
| Less: Revaluation deficit/surplus | 3,975,700 | 5,427,065 | - | - | - | - | - | 9,402,765 |
| Less: Sale of assets | - | - | - | - | - | - | 978,115 | 978,115 |
| Balance as at 31 March, 2020 | 44,975,700 | 38,941,562 | 9,351,215 | 77,630,843 | 8,818,983 | 8,765,032 | 7,233,822 | 195,717,157 |
| Additions | - | 7,599,648 | 27,000 | 12,356,140 | 126,300 | 258,916 | - | 20,368,004 |
| Less: Revaluation deficit/surplus | - | - | - | - | - | - | - | - |
| Less: Sale of assets | - | - | - | 1,532,597 | - | - | - | 1,532,597 |
| Balance as at 31 March, 2021 | 44,975,700 | 46,541,210 | 9,378,215 | 88,454,386 | 8,945,283 | 9,023,948 | 7,233,822 | 214,552,564 |
| Accumulated depreciation | | | | | | | | |
| Balance as at 31 March, 2019 | - | 8,057,126 | 8,563,280 | 61,329,002 | 6,332,325 | 3,668,583 | 2,978,030 | 90,928,346 |
| Depreciation charge for the year | - | 701,478 | 97,987 | 1,093,917 | 379,743 | 393,252 | 1,002,686 | 3,669,063 |
| Disposals | - | - | - | - | - | - | 848,102 | 848,102 |
| Balance as at 31 March, 2020 | - | 8,758,604 | 8,661,267 | 62,422,919 | 6,712,068 | 4,061,835 | 3,132,614 | 93,749,307 |
| Depreciation charge for the year | - | 925,591 | 96,059 | 1,414,924 | 760,071 | 576,982 | 909,907 | 4,683,534 |
| Disposals | - | - | - | 1,178,622 | - | - | - | 1,178,622 |
| Balance as at 31 March, 2021 | - | 9,684,195 | 8,757,326 | 62,659,221 | 7,472,139 | 4,638,817 | 4,042,521 | 97,254,219 |
| Net block | | | | | | | | |
| Balance as at 31 March, 2020 | 44,975,700 | 30,182,958 | 689,948 | 15,207,924 | 2,106,915 | 4,703,197 | 4,101,208 | 101,967,850 |
| Balance as at 31 March, 2021 | 44,975,700 | 36,857,015 | 620,889 | 25,795,165 | 1,473,144 | 4,385,131 | 3,191,301 | 117,298,345 |

Additional information:

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

3 Non Current Investments:

| Details of Investments | Name of the Company | As at March 31, 2021 | | | As at March 31, 2020 | | |
|---|---------------------|----------------------|------------|----------|----------------------|------------|----------|
| | | No of shares | Face value | Amount ₹ | No of shares | Face value | Amount ₹ |
| a) Investments in Equity Instruments: | | | | | | | |
| i) In government securities: (Other than Trade, Unquoted) | | | | | | | |
| Fully paid up | | | | | | | |
| National Savings Certificate | | | | | | | |
| Total | | | | | | | |
| Less: | | | | | | | |
| Provision for diminution in value of investments | | | | | | | |
| Total | | | | | | | |

NOTES TO FINANCIAL STATEMENTS

| Particulars | As at March 31, 2021 ₹ | As at March 31, 2020 ₹ |
|---|------------------------------|------------------------------|
| 4. Other Financial Assets: (Unsecured and considered good) | | |
| i) Security deposits | 1,005,043 | 812,662 |
| | 1,005,043 | 812,662 |
| 5. Other Non Current Assets: (unsecured and considered good) | | |
| i) Balances with revenue authorities | 2,393,474 | 2,392,094 |
| | 2,393,474 | 2,392,094 |
| Less: Allowance for bad and doubtful receivables | - | - |
| | 2,393,474 | 2,392,094 |
| 6. Inventories: | | |
| i) Raw Materials | 1,666,686 | 2,659,971 |
| ii) Finished Goods | 48,053,874 | 54,011,680 |
| | 49,720,560 | 56,671,651 |
| 7. Trade Receivables: | | |
| i) Trade receivables exceeding six months | 2,797,948 | 2,797,948 |
| ii) others | 19,189,537 | 15,174,746 |
| | 21,987,485 | 17,972,694 |
| Less: Allowance for doubtful receivables exceeding six months | - | - |
| | 21,987,485 | 17,972,694 |
| Additional Information: | | |
| 1) Breakup of above: | | |
| i) Secured, considered good | - | - |
| ii) Unsecured, considered good | 21,987,485 | 17,972,694 |
| iii) Doubtful | - | - |
| Total | 21,987,485 | 17,972,694 |
| Less: Allowance for doubtful receivables exceeding six months | - | - |
| 2) a) Debts due by directors or other officers of the company | - | - |
| b) Amounts due by private companies in which directors of the Company are directors | - | - |
| | 21,987,485 | 17,972,694 |
| 8. Cash and Cash Equivalents: | | |
| a) Cash and cash equivalents: | | |
| i) Balances with banks | | |
| - in other accounts | 4,446,053 | 22,786,438 |
| ii) Cash on hand | 139,893 | 285,661 |
| | 4,585,946 | 23,072,099 |
| b) Other bank balances: | | |
| i) Balances with banks | | |
| - in margin money, security for borrowings, guarantees and other commitments | 200,000 | 200,000 |
| | 200,000 | 200,000 |
| Total (a + b) | 4,785,946 | 23,272,099 |
| 9. Other Financial Assets: | | |
| i) Security deposits | 2,242,525 | 2,532,525 |
| ii) Prepaid expenses | 55,153 | 26,600 |
| iii) Others | - | 12,707 |
| iv) Advances Given to Vendors | 4,024,113 | 2,620,151 |
| | 6,321,791 | 5,191,983 |
| Less: Allowance for doubtful advances | - | - |
| | 6,321,791 | 5,191,983 |
| Additional Information: | | |
| 1) Breakup of above: | | |
| i) Secured, considered good | - | - |
| ii) Unsecured, considered good | 6,321,791 | 5,191,983 |
| iii) Doubtful | - | - |
| Total | 6,321,791 | 5,191,983 |
| Less: Allowance for doubtful advances | - | - |
| | 6,321,791 | 5,191,983 |

NOTES TO FINANCIAL STATEMENTS

| Particulars | As at | |
|---|----------------|------------------|
| | March 31, 2021 | March 31, 2020 |
| 2) a) Debts due by directors or other officers of the company | - | - |
| b) Amounts due by private companies in which directors of the Company are directors | - | - |
| 10. Other Current Assets: | | |
| i) GST Input Tax Credit | - | 3,255,949 |
| ii) Loans and Advances- others | 11,840 | 70,600 |
| | 11,840 | 3,326,549 |

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|--|----------------------|-------------------|----------------------|-------------------|
| | Number | ₹ | Number | ₹ |
| 11. Share Capital: | | | | |
| Authorized: (*) | | | | |
| Equity shares of ₹ 2/- each | 35,000,000 | 70,000,000 | 35,000,000 | 70,000,000 |
| | 35,000,000 | 70,000,000 | 35,000,000 | 70,000,000 |
| Issued: | | | | |
| Equity shares of ₹ 2/- each | 6,235,831 | 12,471,662 | 6,235,831 | 12,471,662 |
| | 6,235,831 | 12,471,662 | 6,235,831 | 12,471,662 |
| Issued, Subscribed and Fully Paid up: | | | | |
| Equity shares of ₹ 2/- each | | | | |
| At the beginning of the year | 6,231,081 | 12,462,162 | 4,980,565 | 9,961,130 |
| Issued during the year | - | - | 1,250,516 | 2,501,032 |
| At the close of the year | 6,231,081 | 12,462,162 | 6,231,081 | 12,462,162 |
| Total carried to Balance Sheet | | 12,462,162 | | 12,462,162 |

Additional Information:**a) Terms and rights:**

The Company has only two classes of shares i.e. Preference Shares and Equity Shares. No preference shares are issued till the date of balance sheet. The equity shares having a face value of Rs 2/- per share. Each shareholder of equity shares is entitled to one vote per share. The dividend proposed by the Board of the Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

b) Aggregate number of shares issued for consideration other than cash:

| | | | | |
|--|--------|---------|--------|---------|
| 40000 Shares of Rs.2/- each issued pursuant to a contract without payment being received in cash | 40,000 | 80,000 | 40,000 | 80,000 |
| 98883 shares of Rs 2/-each allotted as fully paid up by way of bonus shares by capitalisation reserves | 98,883 | 197,766 | 98,883 | 197,766 |

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

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|-------------------|----------------------|-------|----------------------|-------|
| | Number | % | Number | % |
| (i) Naveen Bothra | 427,964 | 6.86% | 400,000 | 6.42% |

NOTES TO FINANCIAL STATEMENTS

Statement of Changes in Equity

12. Other Equity

| Particulars | Attributable to owners of the Company | | | |
|---|---------------------------------------|---------------------|---------------------|--------------------|
| | Other Equity | | | Total Other equity |
| | Share premium | Revaluation reserve | Retained earnings | |
| | ₹ | ₹ | ₹ | ₹ |
| Total Other Equity as at March 31, 2019 | 3,750 | 47,548,141 | 9,021,848 | 56,573,739 |
| Add/(Less): Profit for the period | - | - | 2,227,552 | 2,227,552 |
| Add/(Less): Share Premium during the year due to the issuance of shares | 75,030,960 | - | - | 75,030,960 |
| Less: INDAS adjustment for Revaluation of land and building | - | 9,402,765 | - | 9,402,765 |
| Less: Tax Adjustment on Ind AS items | - | (2,444,719) | - | (2,444,719) |
| Total Other Equity as at March 31, 2020 | 75,034,710 | 54,506,187 | 11,249,400 | 140,790,297 |
| Add/(Less): Profit for the period | - | - | (37,488,012) | (37,488,012) |
| Add/(Less): Share Premium during the year due to the issuance of shares | - | - | - | - |
| Less: INDAS adjustment for Revaluation of land and building | - | - | - | - |
| Less: Tax Adjustment on Ind AS items | - | - | - | - |
| Less/Add: Depreciation on revaluation reclassified | - | (2,883,627) | 2,883,627 | - |
| Total Other Equity as at March 31, 2021 | 75,034,710 | 51,622,560 | (23,354,985) | 103,302,285 |

| Particulars | As at March 31, 2021 ₹ | As at March 31, 2020 ₹ |
|---|------------------------------|------------------------------|
| Non- Current Liabilities | | |
| 13. Borrowings: | | |
| Secured loans: | | |
| a. Loan from Banks | 7,426,387 | 10,447,057 |
| Less: Current maturities on loan from banks | 3,044,400 | - |
| | 4,381,987 | 10,447,057 |
| Total Borrowings | 4,381,987 | 10,447,057 |

Additional information:

1) Details of security for secured loans:

Vehicle Loan from bank is secured against the hypothecation of motor car borrowed at interest rate of 8% p.a. repayable in 84 equated monthly installments

Term loan availed from South Indian Bank is primarily secured against hypothecation/mortgage of assets purchased for utilising the loan and a collateral charge vide equitable mortgage of 2.95 acres of land with factory building at Ranipet, Tamilnadu at an interest rate of 9.90% per annum repayable in 74 equated monthly installments.

Note: There are no defaults in repayment of principal or interest thereon

14 Deferred Tax Liabilities (Net):

| | | |
|---|-------------------|-------------------|
| i) Deferred tax liability: | | |
| a) On account of depreciation on fixed assets (other than land) | 7,752,046 | 7,459,131 |
| b) On account of revaluation of land | 11,693,682 | 11,693,682 |
| Total | 19,445,728 | 19,152,813 |
| ii) Deferred tax asset: | | |
| a) On account of timing differences in recognition of expenditure | - | - |
| b) On account of Unabsorbed depreciation and brought forward losses under the Income Tax Act, 1961 (restricted to Deferred tax liability) | - | - |
| Total | - | - |
| Net Deferred Tax (Liability)/Asset | 19,445,728 | 19,152,813 |

NOTES TO FINANCIAL STATEMENTS

| Particulars | As at March 31, 2021 ₹ | As at March 31, 2020 ₹ |
|------------------------------|------------------------------|------------------------------|
| Current Liabilities | | |
| 15. Borrowings: | | |
| Secured loans: | | |
| a) Loans repayable on demand | | |
| - from banks | - | - |
| Unsecured Loans: | | |
| - from Others | 30,000,000 | - |
| Total | 30,000,000 | - |

1) Details of security for secured loans:

- a) Working capital facility availed from South Indian Bank is primarily secured against hypothecation of inventory and book debts of the Company and collaterally secured by equitable mortgage of 2.95 acres of land with factory building at Ranipet, Tamilnadu at an interest rate of 9.90% per annum. (During the year overdraft facility was not utilised)

2) Terms and conditions for unsecured loans from others:

- a) Represents loan availed from the Managing Director carrying an interest rate of 8% p.a. repayable on demand

Note: There are no defaults in repayment of principal or interest thereon

Current Liabilities**16. Trade Payables:**

- a) Total outstanding dues of micro and small enterprises
Trade payables
- b) Total outstanding dues of creditors other than micro and small enterprises
Trade payables

| | | |
|--|-------------------|-------------------|
| | 6,047,732 | 356,390 |
| | 6,047,732 | 356,390 |
| | 10,355,751 | 20,980,090 |
| | 16,403,483 | 21,336,480 |

Additional Information:

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

| Sl. No. | Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---------|---|-------------------------|-------------------------|
| 1 | Principal amount due and remaining unpaid | - | - |
| 2 | Interest due on (1) above and the unpaid interest | - | - |
| 3 | Interest paid on all delayed payments under the MSMED Act | - | - |
| 4 | Payment made beyond the appointed day during the year | - | - |
| 5 | Interest due and payable for the period of delay other than (3) above | - | - |
| 6 | Interest accrued and remaining unpaid | - | - |
| 7 | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |

17. Other Financial Liabilities:

- a) Current maturities of secured loan from banks
- b) Deposits from dealers
- c) Others

| | | |
|--|------------------|------------------|
| | 3,044,400 | - |
| | 2,780,845 | 2,875,953 |
| | 2,251,424 | 2,251,424 |
| | 8,076,669 | 5,127,377 |

18. Other Current Liabilities:

- a) Statutory Dues
- Tax Deducted at Source
- Goods and Service Tax
- Others
- b) Others
- c) Advance from Customers
- d) Provision for Retirement leave

| | | |
|--|------------------|------------------|
| | 561,964 | 572,919 |
| | 1,245,641 | - |
| | 9,709 | 2,047 |
| | 4,926,382 | 1,366,024 |
| | 248,009 | 358,973 |
| | 2,469,032 | - |
| | 9,460,737 | 2,299,963 |

NOTES TO FINANCIAL STATEMENTS

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--|-------------------------|-------------------------|
| 19. Current Tax Liabilities (Net): | | |
| a) Provision for tax (net of advance tax) | - | - |
| 20. Revenue from Operations: | | |
| i) Sale of Products | | |
| Domestic Sales | 299,490,904 | 333,990,005 |
| Less: Sales discount | 20,205,238 | 21,288,092 |
| | 279,285,667 | 312,701,913 |
| 21. Other Income: | | |
| i) Others | 197,196 | 157,564 |
| ii) Profit on sale of fixed assets | - | 89,987 |
| | 197,196 | 247,551 |
| 21A. Exceptional Items: | | |
| i) Refund of Excise duty (in respect of year 1986) | - | 18,963,126 |
| | - | 18,963,126 |
| 22. Cost of Purchase: | | |
| i) Consumption of Stores, Components & Spare Parts | 125,457,495 | 145,378,512 |
| ii) Purchase of stock in trade | 2,599,242 | 9,576,812 |
| | 128,056,737 | 154,955,324 |
| 23. Changes in Inventories of Stock in Trade: | | |
| Stocks at the end of the year | | |
| i) Finished goods | 48,053,874 | 54,011,680 |
| ii) Raw Materials | 1,666,686 | 2,659,971 |
| | 49,720,560 | 56,671,651 |
| Less: Stocks at the beginning of the year | | |
| i) Finished goods | 54,011,680 | 41,370,687 |
| ii) Raw Materials | 2,659,971 | 1,834,524 |
| | 56,671,651 | 43,205,211 |
| | 6,951,091 | (13,466,440) |
| 24. Employee Benefit Expenses: | | |
| i) Salaries , wages and bonus | 62,616,745 | 51,025,966 |
| ii) Contribution to provident and other funds | 1,965,577 | 2,956,040 |
| iii) Gratuity | 14,817,638 | 4,506,510 |
| iv) Staff welfare expenses | 1,165,807 | 1,923,728 |
| v) Leave encashment | 2,469,033 | - |
| | 83,034,800 | 60,412,244 |
| 25. Finance Costs: | | |
| i) Interest expense | 2,000,859 | 4,129,401 |
| | 2,000,859 | 4,129,401 |
| 26. Depreciation and Amortization: | | |
| i) Depreciation | 4,683,534 | 3,669,063 |
| | 4,683,534 | 3,669,063 |
| 27. Other Expenses: | | |
| i) Repairs & Maintenance | | |
| - Buildings | 2,414,573 | 3,275,473 |
| - Machinery | 4,700,647 | 2,906,738 |
| - others | 404,734 | 312,628 |
| ii) Advertisement expenses | 4,439,904 | 16,147,918 |
| iii) Bank Charges | 226,401 | 347,968 |
| iv) Coolie and cartage | 1,615,180 | 2,053,680 |
| v) Sitting Fee | 36,000 | 36,000 |
| vi) Conference and Seminar Expense | 50,000 | 41,445 |
| vii) Insurance | 1,545,372 | 578,160 |
| viii) Rates and Taxes | 1,086,947 | 1,296,690 |
| ix) Travelling and Conveyance | 3,905,628 | 7,003,553 |
| x) Freight expenses | 17,169,068 | 19,431,710 |
| xi) Rent | 13,085,903 | 12,192,937 |
| xii) Professional Charges | 9,020,706 | 9,575,152 |
| xiii) Sales Promotion Expenses | 5,015,640 | 8,391,389 |
| xiv) Fabrication Charges | 2,335,776 | 2,440,372 |

NOTES TO FINANCIAL STATEMENTS

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|------------------------------------|-------------------------|-------------------------|
| xv) Turnover Discount | 11,219,034 | 10,307,869 |
| xvi) Vehicle Maintenance | 889,104 | 1,024,711 |
| xvii) Audit fee | | |
| - as auditor | 200,000 | 361,467 |
| - reimbursement of expenses | 62,943 | - |
| xviii) Consumption of spares | 383,775 | 722,320 |
| xix) Watch & Ward Expenses | 1,211,491 | 1,519,216 |
| xx) Power and Fuel | 2,535,928 | 3,613,149 |
| xxi) Stitching Charges | 1,394,062 | 1,442,633 |
| xxii) Telephone Expenses | 496,241 | 560,013 |
| xxiii) Commission on sales | 45,000 | 3,427,397 |
| xxiv) Postage Expenses | 483,341 | 972,396 |
| xxv) Printing & Stationery | 709,486 | 1,342,580 |
| xxvi) Prompt Payment Discount | 4,531,843 | 4,311,298 |
| xxvii) Manufacturing Expenses | 174,090 | 620,374 |
| xxviii) Other Expenses | 547,282 | 407,135 |
| xxix) Loss on sale of fixed assets | 14,842 | - |
| | 91,950,938 | 116,664,371 |

28. Additional Information:

| | | |
|--|------------|-----------|
| a) Value of Imports calculated on CIF basis: | | |
| i) Purchases of Stock in Trade | 16,906,299 | 8,471,821 |
| ii) Capital goods | - | - |
| b) Expenditure in foreign currency: (net of withholding tax) | | |
| i) Other matters | - | 290,130 |
| c) Details of non-resident shareholdings | | |
| i) Number of nonresident share holders | 67 | 65 |
| ii) Number of shares held by nonresident shareholders | 101,278 | 99,855 |
| iii) Amount remitted during the year in foreign currency on account of dividends | - | - |
| d) Earnings in foreign exchange: | | |
| i) Sale of products | - | - |

29. Earnings Per Share:

(Basic and diluted)

Basic and Diluted Earnings per share [EPS] computed in accordance with Ind AS 33 "Earnings per Share":

(a) Before and after exceptional item

| | | |
|--|--------------|-----------|
| Profit/(Loss) for the year after tax expense | (37,488,012) | 2,227,551 |
| Weighted average number of equity shares | 6,231,081 | 6,231,081 |
| Paid up value per share | 2.00 | 2.00 |
| Earnings per share (basic & diluted) | (6.02) | 0.36 |

30. Contingent Liabilities and Commitments:

(to the extent not provided for)

a) Contingent liabilities:

| | | |
|---|---|---|
| i) Claims against the Company not acknowledged as debts | - | - |
| ii) Bank Guarantees | - | - |
| iii) Unexpired Letters of credit | - | - |
| iv) Central Excise tax under dispute | - | - |

b) Commitments:

| | | |
|---|------------|------------|
| i) Other commitments* | 10,000,000 | 25,000,000 |
| ii) Warranty on Sale of Products - Amount not ascertainable | - | - |

*The Company is in the process of procuring new machinery to its unit at Ranipet.

31. Segment Reporting:

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

NOTES TO FINANCIAL STATEMENTS**32. Related Party Transactions:****(a) Name of related parties and description of relationship where controls exists:**

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

(b) Transactions with the related parties

| Particulars | Relationship | Year Ended March 31, 2021 ₹ | Year Ended March 31, 2020 ₹ |
|---|----------------------------|-----------------------------------|-----------------------------------|
| Purchase of goods and services: | | | |
| Nil | - | - | - |
| Software Sales & Service Exports | | | |
| Nil | - | - | - |
| Rental Income | | | |
| Nil | - | - | - |
| Remuneration paid*: | | | |
| Roy Mammen | Managing Director | 4,756,737 | 5,848,081 |
| Mammen Philip | Director Corporate Affairs | - | 189,750 |
| Sharvari Sham Kulkarni | Company Secretary | 451,470.00 | 326,050 |
| Machimada Muddappa Kushalappa | Chief Financial Officer | 784,294.00 | 816,540 |

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

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

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

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

| Particulars | Relationship | Year Ended March 31, 2021 ₹ | Year Ended March 31, 2020 ₹ |
|---|---|-----------------------------------|-----------------------------------|
| Nil | Wholly Owned Subsidiary | - | - |
| Nil | Step down subsidiary | - | - |
| Nil | Associates | - | - |
| Roy Mammen Jacob Mammen Sharvari Sham Kulkarni Machimada Muddappa Kushalappa | Key Management Personnel and their relatives ("KMP") | 30,000,000 - - - | - - - - |
| Balanoor Plantations & Industries Limited | Enterprises over which key management personnel and their relatives are able to exercise significant influence | 250,000 | 250,000 |

33. Operating Lease (Ind As 17):

The Company has various operating leases for office facilities which is renewable on a periodic basis, and cancelable at its option. Rental expenses for operating leases included in the financial statements for the year are ₹ 1,30,85,903/- (Previous Year ₹ 1,21,92,937/-).

NOTES TO FINANCIAL STATEMENTS**34. Financial Risk Management Objectives and Policies:**

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

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

Market Risk

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

The sensitivity analyses in the following sections relate to the positions as at March 31, 2021 and March 31, 2020:

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

The following assumption has been made in calculating sensitivity analyses.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2021 and March 31, 2020 including the effect of hedge accounting.

Interest rate risk

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

35. Fair Value Measurement (Ind AS 113):

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

The below table summarises particulars of Financial Instruments used:

| Particulars | As at March 31, 2021 ₹ | As at March 31, 2020 ₹ |
|---|---------------------------------------|---------------------------------------|
| Financial Assets at amortized cost: | | |
| Investments | 8,567 | 8,567 |
| Trade Receivables | 21,987,485 | 17,972,694 |
| Other Financial Assets | 7,326,834 | 6,004,645 |
| Cash & cash equivalents | 4,585,946 | 23,072,099 |
| Other Bank Balances | 200,000 | 200,000 |
| Total Financial Assets | 34,108,832 | 47,258,005 |
| Financial Liabilities at amortized cost: | | |
| Borrowings | 4,381,987 | 10,447,057 |
| Other Financial Liabilities | 8,076,669 | 5,127,377 |
| Trade Payables | 16,403,483 | 21,336,480 |
| Total Financial Liabilities | 28,862,139 | 36,910,914 |

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

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

- 36.** Closing stock of inventory pertaining to finished products comprising of different individual products is valued on the basis of net billing price of such product. Hence, it is not possible to ascertain the financial impact due to the fact that the Company has not been able to arrive at the cost price of each product.
- 37.** Company is in the process of ascertaining of the impairment, if any on any of the fixed assets and subject to such ascertainment, no recognition during the year is made in the accounts for impairment of fixed assets.

NOTES TO FINANCIAL STATEMENTS**38. DISCLOSURES AS PER IND AS 19 "EMPLOYEE BENEFITS":**

General description of various defined Employee's benefits Schemes are as under:

a) Provident Fund:

The Contributions as specified under the law are paid to the Provident Fund set up by respective Regional Provident Fund Commissioner. The company has no further payment obligations once the contributions have been paid.

b) Gratuity:

Gratuity is a defined benefit plan, provided in respect of past services based on the actuarial valuation carried out by LIC of India and corresponding contribution to the fund is expensed in the year of such contribution.

The scheme is funded by the company and the liability is recognized on the basis of contribution payable to the insurer, i.e., the Life Insurance Corporation of India, however, the disclosure of information as required under Ind AS-19 have been made in accordance with the actuarial valuation.

c) Defined Contribution Plan:

Contribution to defined contribution plan are recognized as expense for the year are as under:

| Particulars | March 31, 2021 | March 31, 2020 |
|--|----------------|----------------|
| Employer's contribution to provident & pension funds | 1,965,577 | 2,956,040 |

d) Defined Benefit Plan:

The employees' gratuity fund scheme and leave encashment are defined benefit plans. The Present value of obligation is determined based on actuarial valuation using the projected unit credit method.

| 1 Reconciliation of opening and closing balances of defined benefit obligation: | ₹ In lakhs | |
|--|--|--|
| | March 31, 2021 Gratuity | March 31, 2020 Gratuity |
| Defined Benefit obligation at beginning of the year | | |
| PV of Past Service Benefit | 14,378,547 | - |
| Current Service Cost (*) | 439,091 | - |
| Interest Cost | - | - |
| Actuarial (gain)/ loss | - | - |
| Benefits Paid | 9,103,581 | - |
| Defined Benefit obligation at end of the year | 5,714,057 | - |
| 2. Reconciliation of opening and closing balance of fair value : | | |
| Fair value of plan assets at beginning of the year | - | - |
| Expected return on plan assets | 41,418 | - |
| Employer Contribution | 14,776,219 | - |
| Benefits paid | 9,103,581 | - |
| Actuarial gain/(loss) | - | - |
| Fair value of plan assets at year end | 5,714,057 | - |
| Reconciliation of fair value of assets and obligations: | | |
| Fair value of plan assets | 5,714,057 | - |
| Present value of obligation | 5,714,057 | - |
| Amount recognized in Balance Sheet | 5,714,057 | - |
| Expense recognized during the year: (under "Note 24" "Employee Benefit Expenses" in the Statement of Profit and Loss) | March 31, 2021 Gratuity | March 31, 2020 Gratuity |
| In Income Statement: | | |
| Current Service Cost | 439,091 | - |
| Past service cost | 14,378,547 | - |
| Expected return on plan assets | - | - |
| In Other Comprehensive Income: | | |
| Actuarial (gain)/ loss | - | - |
| Net Cost | 14,817,638 | - |
| Actuarial assumptions: | March 31, 2021 Indian Assured Lives (2006 -08) (Ultimate) | March 31, 2020 Indian Assured Lives (2006 -08) (Ultimate) |
| Mortality Table | | |
| Discount rate (per annum) | 7% p. a. | - |
| Expected rate of return on plan assets (per annum) | 6.5% p. a. | - |

(*) Leave provision for current year includes provision for short term compensated absence as assessed by the actuary.

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

e) Sensitivity Analysis:

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, has been determined based on possible effect of changes of an assumption occurring at end of the reporting period, while holding all other assumptions constant.

| Particulars | March 31, 2021 | | March 31, 2020 | |
|--|----------------|----------|----------------|----------|
| | Decrease | Increase | Decrease | Increase |
| Change in discounting rate (delta effect of +/- 1.0%) | 0.00 | 0.00 | - | - |
| Change in rate of Attrition (delta effect of +/- 0.5%) | 0.00 | 0.00 | - | - |
| Change in rate of Mortality (delta effect of +/- 0.5%) | 0.00 | 0.00 | - | - |
| Change in rate of salary increase (delta effect of +/- 1.0%) | 0.00 | 0.00 | - | - |

(₹ In lakhs)

These plans typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan assets.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

39. Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these standalone financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these standalone financial statements

40. Deferred Tax Asset

The breakup of Deferred tax asset is as follows:

| Particulars | As at March 31, 2021 ₹ | As at March 31, 2020 ₹ |
|--|---------------------------|---------------------------|
| Deferred Tax Asset - (A) | | |
| Provision for Employee Benefits | | |
| Warranty Provisions | | |
| Loss allowance on Financial and Contract Assets | | |
| On account of Unabsorbed depreciation and brought forward losses under the Income Tax Act, 1961 (restricted to Deferred tax liability) | - | - |
| Deferred Tax Liability - (B) | | |
| Written Down Value of Fixed Assets | 7,752,046 | 7,459,131 |
| Others (Revaluation of Land) | 11,693,682 | 11,693,682 |
| Net Deferred Tax Asset - (A)-(B) | (19,445,728) | (19,152,813) |

| Movement in Deferred Tax | | | | |
|--|---|---|---|---|
| Particulars | Charge/ (Credit) to Statement of P&L | | Charge/ (Credit) to OCI | |
| | For the year ended March 31,2021 | For the year ended March 31,2020 | For the year ended March 31,2021 | For the year ended March 31,2020 |
| | ₹ | ₹ | ₹ | ₹ |
| Deferred Tax Asset- | | | | |
| Provision for Employee Benefits | | | | |
| Warranty Provisions | | | | |
| Loss allowance on Financial and Contract Assets | - | - | - | - |
| Others | | | | |
| On account of Unabsorbed depreciation and brought forward losses under the Income Tax Act, 1961 (restricted to Deferred tax liability) | - | - | - | - |
| Deferred Tax Liability – | | | | |
| Written Down Value of Fixed Assets | 292,916 | 1821076 | - | - |
| Others (Revaluation of Land) | - | - | - | 244,719 |
| Total | (292,916) | (1,821,076) | - | (244,719) |

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

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

CA. VANDANA P RAO
 PROPRIETRIX
 MEM NO.218797
 PLACE : BANGALORE
 DATE:28-06-2021

For and on behalf of the Board

ROY MAMMEN
 MANAGING DIRECTOR

JACOB MAMMEN
 DIRECTOR

ASHOK KURIYAN
 DIRECTOR

MACHIMADA MUDDAPPA KUSHALAPPA
 CHIEF FINANCIAL OFFICER

SHARVARI SHAM KULKARNI
 COMPANY SECRETARY

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