



## M.M. RUBBER COMPANY LIMITED

REGD. OFFICE

EMPIRE INFANTRY, III FLOOR, 29, INFANTRY ROAD, BANGALORE-560 001. INDIA  
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CIN : L25190KA1964PLC052092

### ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results- (Standalone and Consolidated separately)

Statement of Impact of Audit Qualifications for the Financial Year ended March 31, 2016.

(See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulation, 2016)

I.	Sl. No	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover/Total Income	188894633	188894633
	2.	Total Expenditure	178808608	178808608
	3.	Net Profit/(Loss)	2573065	2573065
	4.	Earnings per share	0.52	0.52
	5.	Total Liabilities	82207609	82207609
	6.	Total Assets	82207609	82207609
	7.	Net Worth	5651672	5651672
	8.	Any other financial item(s) (as felt appropriate by the management)		

#### II. Audit Qualification (each audit qualification separately):

##### a. Details of Audit Qualification:

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

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- b. Type of Audit Qualification: Qualified opinion.
- c. Frequency of Qualification: Repetitive past 7 years.
- d. For Audit Qualification(s) where the impact is quantified by the auditor, Management views: NA.
- e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification:

- 1) The company settles the gratuity liability of the employees as and when the said employee leaves the organization. The company in view of it being declared as sick industrial company and referred to BIFR in the earlier year, could not ascertain and make provision in the accounts for its accrued gratuity liability. However, steps are being taken and the company is in the process of ascertaining its accrued liability on account of gratuity. Pending such ascertainment, no provision for gratuity has been made in the accounts. Further the company do not have the policy of allowing the employees to encash leave at their credit while in service and hence no provision is made for the liability if any towards encashment of leave for those employees who are still in service.
- 2) The Company has completed gathering information, about the value of assets that are required to be removed consequent on closure of BOPP and Glove Division and steps are being taken to remove the value of such assets in books. Pending the same no adjustment is made in the accounts the impairment, if any, of the value of assets.
- 3) 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.


(ii) If Management is unable to estimate the impact, reasons for the same: NA

(iii) Auditors' Comments on (i) or (ii) above:

- 1) In respect of gratuity accrued the Company has not ascertained the same on actuarial basis nor provided for it in the accounts. Further the Company has not ascertained accrued leave cash benefit payable to its employees. Accordingly, the Company accounts both gratuity and leave encashment as and when paid.
- 2) Company is in the process of ascertaining of the impairment, if any, on any of the fixed assets and subject to such ascertainment, there has been no financial impact on accounts of the Company with regard to impairment of fixed assets.

3) Closing stock of Inventory pertaining to Finished products comprising of different individual products is valued on the basis on 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 such product.

III. Signatories:

  
CEO/Managing Director

CFO

  
Audit Committee Chairman

Statutory Auditor:

**For S.R. MANDRE & CO.**  
**CHARTERED ACCOUNTANTS**  
FRN : 001962S

Place: Bangalore

Date:

  
PARTNER

