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**32nd**

**ANNUAL  
REPORT 1996-97**

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**MM RUBBER COMPANY LIMITED**



## M.M. RUBBER COMPANY LIMITED

### BOARD OF DIRECTORS

K.M. PHILIP  
(Chairman)

MAMMEN PHILIP  
(Managing Director)

M.V. SUBBIAH

K.A. VARUGIS

D.V. NARASIMHAN

HUMAYUN DHANRAJGIR

MAMMEN MATHEW

K.O. MAMMEN

MAMMEN VARGHESE

ASHOK KURIYAN

KARUN PHILIP

ROY MAMMEN

MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		DIV	NA
TRA	NA		AC	✓
AGM	✓	✓	SH	✓
YE	✓	✓		✓

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**SECRETARY**  
THARYAN K. KOSHI

**BANKERS**  
INDIAN OVERSEAS BANK

**AUDITORS**  
KURUVILLA & KURUVILLA

**REGISTERED OFFICE**  
748, MOUNT ROAD, CHENNAI-600 002.



## AUDITORS' REPORT

To the Shareholders of M.M. Rubber Company Limited, Chennai on the Balance Sheet as at 31st March 1997 and the Profit and Loss Account for the year ended on that date.

We have audited the annexed Balance Sheet of M.M. Rubber Company Limited, Chennai, as at 31st March 1997 and the relative Profit and Loss Account for the year ended on that date, and report that :

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. In our opinion, proper Books of Account as required by Law have been kept by the Company so far as appears from our examination of those books.
3. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
4. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and also give a true and fair view :
  - (a) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March 1997 and
  - (b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date.
5. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Orders.

Chennai  
7th August, 1997

For KURUVILLA & KURUVILLA  
Chartered Accountants  
K. RAMACHANDRAN  
Partner

## ANNEXURE TO THE AUDITORS' REPORT

- (i) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at reasonable intervals. The discrepancies noticed on such verification are not material and have been properly dealt with in the books of accounts. The inventories produced to us do not however indicate the cost of individual items in the case of furniture and fittings, moulds, office equipments, laboratory equipments, tools, implements and electrical fittings acquired prior to the Companies (Auditors' Report) Order 1975.
- (ii) The Fixed Assets of the Company have not been revalued during the year.
- (iii) The Stock of finished goods, stores, spare parts and raw materials have been physically verified by the management at reasonable intervals during the year.
- (iv) In our opinion, the procedures of physical verification of the stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (v) In our opinion, the discrepancies noticed on physical verification of the stocks, as compared to book records are not material and have been properly dealt with in the books of account.
- (vi) In our opinion and on the basis of our examination the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.

## M.M. RUBBER COMPANY LIMITED

Regd. Office : 748, Mount Road, Chennai-600 002.

### NOTICE TO SHAREHOLDERS

Notice is hereby given that the Thirtysecond Annual General Meeting of the Shareholders of M M Rubber Company Limited will be held on Wednesday the 24th September 1997 at 11.00 a.m. at The Malayalee Club, No. 25, Club Road, Srinivasa Nagar, Chetpet, Chennai-600 031, to transact the following business :

1. To receive and adopt the Directors' Report, Auditors' Report and the audited statements of account for the financial year ended 31st March 1997.
2. To appoint a Director in place of Mr K.A. Varugis who retires by rotation and being eligible, offers himself for re-election.
3. To appoint a Director in place of Mr. Humayun Dhanrajgir who retires by rotation and being eligible, offers himself for re-election.
4. To appoint Auditors for the current year and fix their remuneration. The retiring Auditors, Messrs. Kuruvilla & Kuruvilla, Chartered Accountants, are eligible for re-appointment.

#### SPECIAL BUSINESS :

To consider and if thought fit, to pass with or without modification, the following as ordinary resolutions.

5. "RESOLVED that Dr. Karun Philip, Director of the Company who holds Office upto the date of this Annual General Meeting as per the provisions of Section 260 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company, liable to retire by rotation."
6. "RESOLVED that Mr. Roy Mammen, Director of the Company who holds Office upto the date of this Annual General Meeting as per the provisions of Section 260 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company, liable to retire by rotation."

By Order of the Board

Place : Chennai-600 002  
Date : 18th August, 1997

THARYAN K KOSHI  
Secretary

#### NOTES :

1. A member entitled to attend and vote is entitled to appoint a proxy and vote instead of himself and the proxy need not be a member.
2. The Register of Members will remain closed from Wednesday the 17th September 1997 to Wednesday the 24th September 1997 (Both days inclusive).

#### EXPLANATORY STATEMENT AS REQUIRED U/S 173 OF THE COMPANIES ACT, 1956

##### Re : Resolutions under Items 5 and 6

Dr. Karun Philip and Mr. Roy Mammen were appointed as Additional Directors of the Company on 30.5.1997. They hold office only upto the date of this Annual General Meeting as per the provisions of Section 260 of the Companies Act, 1956. The Company has received individual notices from the concerned Directors u/s 257 of the Companies Act, 1956 offering their candidature for appointment as Directors at the Annual General Meeting and they are eligible for appointment. Hence the proposed resolutions under Items 5 and 6 of the Notice.

Except Dr. Karun Philip, Mr. K.M. Philip, Mr. Mammen Philip and Mr. Roy Mammen, none of the other Directors is interested in this resolution.



- (vii) In our opinion, the rate of interest and the terms and conditions on which loans have been obtained from Companies, firms and other parties listed in the register maintained under Section 301 of the Companies Act, 1956 in which the directors are interested, are not *prima facie* prejudicial to the interests of the Company. We are informed that there are no companies under the same management.
- (viii) The Company has granted loans to its subsidiary companies, which are exempt under Section 370 of the Companies Act, 1956
- (ix) In respect of interest-free loans and advances in the nature of loans given by the Company, the parties are generally repaying the principal amounts as stipulated.
- (x) In our opinion, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of stores, raw materials including components, plant and machinery, equipments and other assets and for the sale of goods.
- (xi) According to the information and explanations given to us, the transactions of purchase and sale of goods and materials made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956, aggregating during the year to Rs. 50,000/- or more in respect of each party, have been made at prices which are reasonable having regard to prevailing market prices for such goods and materials or the prices at which transactions for similar goods have been made with other parties.
- (xii) The Company has a regular procedure for determining the unserviceable or damaged stores, raw materials and finished goods and necessary adjustments for the loss have been made in the accounts.
- (xiii) In our opinion, the Company has complied with the provisions of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
- (xiv) In our opinion, reasonable records have been maintained by the Company for the sale and disposal of realisable scraps. The Company has no bye-products.
- (xv) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (xvi) We are informed that the Central Government has not prescribed maintenance of cost records for the Company's products under Section 209(1)(d) of the Companies Act, 1956.
- (xvii) The Company is regular in depositing Provident Fund dues and the Employees' State Insurance dues with the appropriate authorities.
- (xviii) According to the information and explanations given to us, there are no undisputed amounts payable in respect of income-tax, wealth tax, sales tax, customs duty and excise duty which have remained outstanding as at 31st March 1997 for a period of more than six months from the date they became payable.
- (xix) According to the information and explanations given to us and the records of the Company examined by us, no personal expenses have been charged to revenue account.
- (xx) The Company is not a Sick Industrial Company within the meaning of Section 3(1)(O) of the Sick Industrial Companies (Special Provisions) Act, 1985.

For KURUVILLA & KURUVILLA  
Chartered Accountants  
K. RAMACHANDRAN  
Partner

Chennai  
7th August, 1997


**BALANCE SHEET AS AT  
31ST MARCH 1997**

(Rupees in Lakhs)

	Schedules	Rs.	Rs.	Previous Year Rs.	Rs.
<b>SOURCES OF FUNDS :</b>					
<b>Shareholders' Funds :</b>					
Share Capital	1	498.06		498.06	
Reserves & Surplus	2	283.99		282.04	
			782.05		780.10
<b>Loan Funds :</b>					
Secured Loans	3	612.03		622.90	
Unsecured Loans	4	73.68		56.88	
			685.71		679.78
			1467.76		1459.88
<b>APPLICATION OF FUNDS :</b>					
<b>Fixed Assets :</b>					
Gross Block		889.95		985.39	
Less: Depreciation		433.53		496.82	
Net Block	5		456.42		488.57
Investments	6		138.43		0.27
<b>Current Assets, Loans and Advances :</b>					
Accrued Interest		0.96		0.56	
Inventories	7	722.92		792.17	
Sundry Debtors	8	380.61		444.85	
Cash & Bank Balances	9	69.33		83.80	
Loans & Advances	10	118.01		132.46	
		1291.83		1453.84	
Less :					
<b>Current Liabilities &amp; Provisions :</b>					
Current Liabilities	11	543.25		609.45	
Provisions	12	0.49		-	
		543.74		609.45	
<b>Net Current Assets</b>			748.09		844.39
<b>Miscellaneous/Deferred Development Expenditure</b>	13		124.82		126.65
(To the extent not written off or adjusted)					
			1467.76		1459.88

Schedules referred to and the accompanying Notes form an integral part of this Balance Sheet

K.M. PHILIP  
ChairmanMAMMEN PHILIP  
Managing DirectorROY MAMMEN  
DirectorTHARYAN K. KOSHI  
SecretaryPlace : Chennai  
Date : 7th August, 1997Vide our report of even date  
For KURUVILLA & KURUVILLA  
Chartered AccountantsK. RAMACHANDRAN  
Partner

Chennai, Dated 7th August, 1997



**PROFIT AND LOSS ACCOUNT FOR THE  
YEAR ENDED 31ST MARCH 1997**

(Rupees in Lakhs)

		Schedules		Previous Year	
		Rs.		Rs.	Rs.
INCOME :					
Sales		3478.25		3684.00	
Other Income	14	<u>88.68</u>		<u>29.61</u>	
			3566.93		3713.61
EXPENDITURE :					
Raw Materials and Finished Goods	15	1558.08		1737.48	
Excise Duty		356.98		404.69	
Manufacturing, Selling and Administrative Expenses	16	<u>1436.36</u>		<u>1402.24</u>	
Depreciation		68.63		48.30	
Interest		147.61		111.17	
Miscellaneous Expenditure Written off		<u>1.83</u>		<u>1.84</u>	
			3564.49		3705.72
Profit			2.44		7.89
Balance brought forward from previous year			<u>29.49</u>		<u>36.60</u>
Available for Appropriation			31.93		44.49
APPROPRIATION					
General Reserve			15.00		15.00
Provision for taxes			<u>0.49</u>		<u>-</u>
Balance carried over to Balance Sheet			16.44		29.49

Schedules referred to and the accompanying Notes form an integral part of this Profit and Loss Account.

K.M. PHILIP  
ChairmanMAMMEN PHILIP  
Managing DirectorROY MAMMEN  
DirectorTHARYAN K. KOSHI  
SecretaryPlace : Chennai  
Date : 7th August, 1997Vide our report of even date  
For KURUVILLA & KURUVILLA  
Chartered AccountantsK. RAMACHANDRAN  
Partner

Chennai, Dated 7th August, 1997



## SCHEDULES TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

(Rupees in Lakhs)

			Previous Year
	Rs.	Rs.	Rs. Rs.
<b>SCHEDULE 1 : SHARE CAPITAL</b>			
<b>Authorised</b>			
70,00,000 Equity Shares of Rs. 10/- each		700.00	700.00
<b>Issued</b>			
49,85,315 Equity Shares of Rs. 10/- each		498.53	498.53
<b>Subscribed and Paid-up</b>			
40,000 Equity Shares of Rs. 10/- each issued as fully paid-up pursuant to a contract without payment being received in cash	4.00	4.00	
48,41,682 Equity Shares of Rs. 10/- each issued as fully paid-up for cash	484.17	484.17	
98,883 Equity Shares of Rs. 10/- each allotted as fully paid-up by way of Bonus Shares by Capitalization of Reserves	9.89	9.89	
		498.06	498.06
<b>SCHEDULE 2 : RESERVES AND SURPLUS</b>			
<b>Capital Reserve</b>			
On Re-valuation of Land and Buildings			
As per last Balance Sheet	76.95	76.95	
Sale Proceeds of Debenture rights	0.54	0.54	
Share Forfeiture			
As per last Balance Sheet	0.02	0.02	
		77.51	77.51
<b>Share Premium Account</b>			
As per last Balance Sheet		0.04	0.04
<b>General Reserve</b>			
As per last Balance Sheet	175.00	160.00	
Add : Transfer during the year	15.00	15.00	
		190.00	175.00
<b>Profit &amp; Loss Account</b>			
	16.44	29.49	
	283.99	282.04	