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**42nd**  
**ANNUAL REPORT**  
**2007-08**

**MM RUBBER COMPANY LIMITED**

# M.M. RUBBER COMPANY LIMITED

## BOARD OF DIRECTORS

MAMMEN VARGHESE

MAMMEN PHILIP

ASHOK KURIYAN

ROY MAMMEN - Managing Director

KARUN PHILIP

JACOB MAMMEN



## REGISTRARS & SHARE TRANSFER AGENTS

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

## BANKERS

INDIAN OVERSEAS BANK

## AUDITORS

S R MANDRE & CO

## REGISTERED OFFICE

44, SIPCOT INDUSTRIAL ETATE,  
RANIPET - 632 403

**M M RUBBER COMPANY LIMITED**  
No.44, Sipcot Industrial Estate. Ranipet-632403

**NOTICE TO SHAREHOLDERS**

NOTICE is hereby given that the Forty Second Annual General Meeting of the members of MM Rubber Co. Ltd., will be held on

Thursday the 25<sup>th</sup> September 2008 at 11.00 a.m.  
Hotel Emerald Inn  
Opp. TCL, SIPCOT,  
Ranipet 632 403, Vellore District

To transact the following business.

1. To receive, consider, and adopt the audited Balance Sheet as at 31<sup>st</sup> March 2008 and the Profit & Loss Account for the year ended that date and the report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Mammen Varghese who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. Mammen Philip who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

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

PLACE: BANGALORE  
DATE: 22.8.2008

**ROY MAMMEN**  
MANAGING DIRECTOR

**Notes:**

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll to vote instead of himself and the proxy need not be a member of the company
2. An instrument appointing a proxy must be sent so as to reach the registered office of the company not later than 48 hours before the time fixed for the commencement of the meeting.
3. The register of members and the share transfer books will remain closed from 24.9.2008 to 26.9.2008 both days inclusive.
4. Members are requested to notify immediately any change in their address to the registered office of the company
5. Members or proxies should bring their attendance slip duly filled in for attending the meeting. Members are requested to bring their copy of Annual Report to the meeting.

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

PLACE: BANGALORE  
DATE: 22.8.2008

**ROY MAMMEN**  
MANAGING DIRECTOR

**REPORT OF THE DIRECTORS TO THE SHAREHOLDERS**

Ladies and Gentlemen:

Your directors are happy to welcome you to the Forty Second Annual General meeting of the Company and to present their report along with the audited accounts for the year ended 31<sup>st</sup> March 2008.

At the Outset, Your Directors wish to inform you that the company's petition for reduction of capital on the basis of reduction of face value of Rs 10/- per share to Rs 2/per share has been confirmed by the High Court of Madras and accordingly the Paidup Capital of the Company as on date stands as Rs 99.61/- Lakhs.

**WORKING OF THE COMPANY**

During the year under Review, the foam business of the Company further improved and showed a growth in turnover of almost ten percent over last year's turnover. This improved performance and reduction in cost contributed to the profit for the year.

The Profit for the year and reduction of Capital has a positive effect on the Net worth of the Company. This may enable the Company to come out of BIFR.

**FINANCIAL RESULTS**

The financial results of the company are on under

Rupees in lakhs

Particulars	Current Year ended 31.3.2008		Previous Period ended 31.3.2007	
Profit/Loss before depreciation, interest and extra-ordinary items		76.09		-159.03
Add/Less: Depreciation	10.34		14.41	
Interest	8.56		22.96	
		18.90		37.37
Profit/Loss after depreciation & Interest		57.19		-196.40
Add: Prior period expenses written off		0		-44.45
		57.19		-240.85
Add: Extra-ordinary income		0		655.01
				+414.16
Less: FBT Paid		1.96		1.60
Profit per published accounts		55.23		412.56
Balance from previous year	-435.42			-847.98
Less: Loss Written Back consequent on Reduction in Capital	398.44	-36.97		-435.42
Surplus Carried over to Balance Sheet		18.26		-

**DIVIDEND**

In view of the small surplus your Directors are unable to recommend any dividend for the year.

**PROSPECTS FOR THE CURRENT YEAR**

On account of the positive impact on the working of the Company consequent on many steps initiated, your Directors are confident that the turnover of the Company may increase in the current year.

**DIRECTORS**

M/s. Mammen Varghese and Mammen Philip retires by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

**FIXED DEPOSITS**

At the close of the year, Fixed Deposits amounting to Rs.17000/= though matured remained unclaimed.

**PARTICULARS OF EMPLOYEES**

There were no employees whose remuneration during the financial year attracted the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975.

**AUDITORS**

The members are requested to appoint Auditors to hold office until the conclusion of the next Annual General Meeting and to fix their remuneration.

M/s. S.R. Mandre & Co., Chartered Accountants, Bangalore who retires are eligible for re-appointment.

**R & D EFFORTS AND TECHNICAL ABSORPTION**

Details of R & D Efforts and Technology Absorption are given in Form "B" hereunder:

**FORM "B"****RESEARCH & DEVELOPMENT (R & D)****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.

**2. Future plan of action**

The Company is planning to expand its production capacity in order to take advantage of increase in demand of natural rubber and home products.

**3. Expenditure on R & D**

Expenditure in-house research and development has been shown under respective heads of expenditure in the Profit and loss account.

**4. Technology Absorption, Adaptation and innovation**

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

**5. Foreign Exchange Earnings and Outgo**

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies Act, the Directors confirm the following in respect of the audited accounts for the year ended 31<sup>st</sup> March 2008

- a) That in the preparation of accounts for the financial year ended 31<sup>st</sup> March 2008, the applicable accounting standards have been followed, along with proper explanation relating to material departures.

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- b) That the Directors have selected the accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company, at the end of the year under review and of the Profit of the Company, for the year under review.
- c) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) That the Directors have prepared the annual accounts for the year ended 31<sup>st</sup> March 2008 on a "going concern" basis.

**CORPORATE GOVERNANCE**

As the Paid up Capital of the Company as at the end of the financial year being less than Rs 3 crores, the requirement regarding Corporate Governance as specified Under Clause 49 of the Listing Agreement with the Stock Exchange is not applicable.

**APPRECIATION**

Your Directors place on record their appreciation of the valuable contribution of the Company's bankers. The Directors are also take the opportunity to thank the customers, dealers and all employees for their continued co-operation.

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

PLACE: BANGALORE  
DATE: 22.8.2008

MANAGING DIRECTOR

**NOTE:** The Directors at their meeting held on 22.8.2008 have authorised Mr Roy Mammen, Managing Director of the Company to sign this report on their behalf.

**ADDENDUM REGARDING QUALIFICATION IN AUDITORS REPORT**

The auditors in their report have qualified regarding:

1. The non provision in the accounts of retirement benefits.

Your Directors wish to clarify as under:

- i) The Company is in the process of ascertaining actuarial liability towards gratuity. However, the company is settling the gratuity liability as and when it arises in individual cases.

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

PLACE: BANGALORE  
DATE: 22.8.2008

ROY MAMMEN  
MANAGING DIRECTOR