

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: mmfoam27@gmail.com

DIRECTOR'S REPORT**To the Members,**

The Directors have pleasure in presenting before you the 49th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2015.

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 March 31, 2015 ₹ in Lakhs	Financial year ended March 31, 2014 ₹ in Lakhs
Revenue from Operations	1779.42	1787.39
Operating Expenditure	1691.12	1803.70
Earnings Before Interest, Tax, Depreciation & Amortization(EBITDA)	88.30	-16.31
Other income (net)	10.72	5.22
Finance costs	67.20	61.44
Depreciation & amortization expense	7.94	12.95
Profit for the year after tax	23.88	-85.48
Balance brought from previous year	-82.10	2.89
Amount available for appropriation	-58.16	-82.10
Adjustment relating to fixed assets	5.81	-
Provision for taxation	-	-
Amount transferred to General reserve	-63.97	-82.10
Dividend	-	-
Balance carried to balance sheet	-63.97	-82.10
The position of reserves is as under:		
General Reserve	-63.97	-82.10

OPERATIONS & PERFORMANCE

The Company's turnover for the year ended 31st March 2015 remained the same as in previous year. However, the company was able to prune the costs substantially and thus was able to achieve a profit for the year as compared to loss in the previous year.

PROSPECTS:

The company is in the process of getting into export business and in this connection is in advanced stages of discussion with a super market chain in U.S.

Dividend

On the basis of the present profit position the company is unable to declare dividend to its shareholders. However your directors hope that in the coming years as the company's profitability improves suitable dividend would be considered.

Deposits

At the close of the year the matured deposit of Rs.17000/- remain unclaimed. Your Directors are taking steps to deal with the same in accordance with the provisions of Companies Act 2013.

LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the year 2015-16 to Bombay Stock Exchange where the Company's Shares are listed.

DEMATERIALISATION OF SHARES:

40% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2015 and balance 60% is in physical form. The Company's Registrars are M/s CAMEO CORPORATE SERVICES LIMITED having their registered office at "Subramanian Building" No.1 Club House Road Chennai – 600002.

DIRECTORS RESPONSIBILITY STATEMENT:

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

- a) In the preparation of the annual accounts for the year ended 31st March, 2015, the applicable accounting standards have been followed and there are no material departures;
- b) they have selected such 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 financial year and of the profit of the company for the same period ;
- c) 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;
- d) they have prepared the annual accounts on a going concern basis;
- e) They have laid down internal financial controls that are adequate and were operating effectively.
- f) 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 2014-15.

CONTRACTS AND ARRANGEMENT WITH RELATED PARTIES

During the year, the company has not entered into 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. 22.8 to the financial statement which sets out related party disclosures.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Jacob Mammen (DIN 00078010) Director of the company retires by rotation and is eligible for reappointment.

Dr. Karun Philip (DIN: 01091468) Director of the company retires by rotation and is eligible for reappointment.

Mrs. Susan Kurian (DIN: 00349062) who had been co-opted as Additional Director retires at the ensuing Annual General Meeting. She being eligible, offers her candidature to be reappointed as Independent Director of the Company for a term of 5 (five) consecutive years with effect from the date of the ensuing Annual General Meeting and that she shall not be liable to retire by rotation. Further as she satisfies the condition laid down under the Act for being treated as independent women director. Company proposes to treat her as independent director not liable for retirement by rotation for a period of five years.

Mr. Kandathil Ashok Kuriyan (DIN: 00081374) who is already a Non – Executive Director of the Company satisfies the criteria for Independent Director laid down under section 149(6) of the Companies Act, 2013. Therefore the Directors of your company recommend to appoint Mr. Kandathil Ashok Kuriyan as an Independent Director of your Company for a term of 5 (five) consecutive years with effect from the date of the ensuing Annual General Meeting and that he shall not be liable to retire by rotation.

Number of Board Meetings held:

The Board of Directors duly met four times during the financial year from 1st April, 2014 to 31st March, 2015. The dates on which the meetings were held are as follows:

- 1. 30-05-2014
- 2. 24-07-2014
- 3. 21-10-2014
- 4. 30-01-2015

AUDIT OBSERVATIONS:

i) Statutory Auditors :

The Auditors, M/s. S R Mandre & Co., (Firm registration No 001962S), Chartered Accountants, were appointed as statutory auditors of the company for a period of three consecutive years at the Annual General Meeting held on 26th September, 2014, who shall hold office until the conclusion of the annual general meeting to be held for the financial year 2016-17. As per section 139 of the Companies Act, 2013, the appointment needs to be ratified at every annual general meeting by the members. Directors recommend for ratification of the appointment of auditors made on 26.09.2014.

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 qualification, reservation or adverse remark.

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 2014-15 till the date of this report. Further there was no change in the nature of the business of the company.

ii) Cost Auditors :

M/s. SBK & Associates (Membership No.15108), Cost Accountants were appointed as Cost Auditors for auditing the cost accounts of your Company for the year ended 31st March, 2015 by the Board of Directors. The Cost Audit Report for the year 2013-14 has been filed under XBRL mode within the due date of filing.

iii) Secretarial Audit :

According to the provision of 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**.

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 dual deluxe mattress, contour pillow, hemorrhoid cushions 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 with regards to foreign exchange and outgo appear in the notes pertaining to the accounts.

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**.

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.

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:

Sl. No.	Name	Designation	Remuneration paid FY 2014-15 in lakhs	Remuneration paid FY 2013-14 in lakhs	Increase in remuneration from previous year in lakhs	Ratio/Times per Median of employee remuneration
1.	Mr. Roy Mammen	Managing Director	14.85	11.52	3.33	6.56
2.	Mr. Mammen Philip	Director corporate affairs	2.07	2.07	-	0.91

DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY:

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

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.**,

PLACE: BANGALORE
DATE: 29.5.2015

ASHOK KURIYAN
Director
(DIN: 00081374)

ROY MAMMEN
Managing Director
(DIN: 00077409)

ANNEXURE – A

Form MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
M M RUBBER COMPANY LIMITED
CIN: L25190KA1964PLC052092
Empire Infantry, 3rd Floor,
No. 29, Infantry Road, Bangalore- 560001

I 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 (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the M M RUBBER COMPANY LIMITED (name of the company's) books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on 31.03.2015 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M M RUBBER COMPANY LIMITED ("the Company") for the financial year ended on 31.03.2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) Other laws as may be applicable specifically to the company - NIL

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

- (i) The Listing Agreements entered into by the Company with BSE Limited, Bangalore Stock Exchange Limited and Madras Stock Exchange Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- (a) The Company has not complied Clause 41 (VI) of the Listing Agreement.

I further report that the Board of Directors of the Company is constituted with Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

I 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.

I further report that during the audit period the company had no specific events/actions having a major bearing on the company's affairs:

Place: Chennai	Name of Company Secretary in practice:	M. Damodaran
Date : 29.05.2015	FCS No.	5837
	C P No.:	5081

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 31.03.2015

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 having Share Capital
v Address of the Registered Office & contact details	: Empire Infantry, 3rd Floor, No.29, Infantry Road, Bangalore – Karnataka
vi Whether listed company	: Yes (Listed in BSE)
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)

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 Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	487904	487904	9.7961	-	487904	487904	9.7961	-
b) Central Govt.or	-	-	-	-	-	-	-	-	-
State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)	-	487904	487904	9.7961	-	487904	487904	9.7961	-
(2) Foreign									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	-	487904	487904	9.7961	-	487904	487904	9.7961	-
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	700	700	0.140	-	700	700	0.0140	-
c) Central govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	400	-	400	0.0800	0.080
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	-	700	700	0.0140	400	700	1100	0.0220	0.080
(2) Non Institutions									
a) Bodies corporates	214491	402638	617129	12.3907	88232	402463	490695	9.8521	-2.5385
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	1563037	1993310	3556347	71.4044	1586133	1959834	3545967	71.1960	-0.2084
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	102600	52500	155100	3.1141	244000	52500	296500	5.9531	2.8390
c) Any Other (specify)									
Hindu undivided families	52201	-	52201	1.0480	50954	-	50954	1.0230	-0.0250
NRIs	26413	84555	110968	2.2280	22499	84555	107054	2.1494	-0.0785
Foreign Bodies Corporate	-	-	-	-	-	-	-	-	-
Trusts	16	200	216	0.0043	191	200	391	0.0078	0.0035
SUB TOTAL (B)(2):	1958758	2533203	4491961	90.1897	1992009	2499552	4491561	90.1817	-0.0080
Total Public Shareholding (B)= (B)(1)+(B)(2)	1958758	2533903	4492661	90.2038	1992409	2500252	4492661	90.2038	0.000
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1958758	3021807	4980565	100.00	1992409	2988156	4980565	100.00	-

(ii) SHARE HOLDING OF PROMOTERS :

Sl.No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of 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	Mammen Philip	69,080	1.39	-	69,080	1.39	-	-
2	C Philip	51,800	1.04	-	51,800	1.04	-	-
3	C Philip	43,000	0.86	-	43,000	0.86	-	-
4	C Philip	44,157	0.89	-	44,157	0.89	-	-
5	C Philip	54,355	1.09	-	54,355	1.09	-	-
6	C Philip	74,259	1.49	-	74,259	1.49	-	-
7	Divya Philip	3,510	0.07	-	3,510	0.07	-	-
8	K Mammen Mappillai	26,375	0.53	-	26,375	0.53	-	-
9	K M Philip	35,150	0.71	-	35,150	0.71	-	-
10	Kandathil Mammen Philip	1,750	0.04	-	1,750	0.04	-	-
11	Kandathil Mammen Philip	26,700	0.54	-	26,700	0.54	-	-
12	Mammen Philip	383	0.01	-	383	0.01	-	-
13	Meera Philip	40,295	0.81	-	40,295	0.81	-	-
14	Peter Philip	3,700	0.07	-	3,700	0.07	-	-
15	Rohit Philip	11,390	0.23	-	11,390	0.23	-	-
16	Late Mrs T Jacob	2,000	0.04	-	2,000	0.04	-	-

(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	487,904	9.7951	487,904	9.7951
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.)	NIL			
3	At the end of the year	487,904	9.7951	487,904	9.7951

(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	Shub Labh India Marketing and Consultants Private Limited	145675	2.9248	25	0.0005
2	Naveen Bothra	102600	2.0600	244000	4.8990
3	M M Housing Private Ltd	86354	1.7338	86354	1.7338
4	Devon Plantations & Industries Limited	82814	1.6627	82814	1.6627
5	Badra Estates & Industries Ltd	70000	1.4054	70000	1.4054
6	Balanoor Plantations & Industries Ltd	67850	1.3622	67850	1.3622
7	Arun Mammen	52500	1.0540	52500	1.0540
8	Stable Investments & Fin Co Ltd	50000	1.0039	50000	1.0039
9	Thankamma Simon	40410	0.8113	40410	0.8113
10	Rekha	37550	0.7539	37550	0.7539
11	Hela Holdings Pvt. Ltd.	37300	0.7489	37300	0.7489