



M.M. RUBBER COMPANY LIMITED

51st ANNUAL REPORT 2016-17

M.M. RUBBER COMPANY LIMITED

BOARD OF DIRECTORS

ROY MAMMEN - Managing Director

MAMMEN PHILIP

ASHOK KURIYAN

KARUN PHILIP

JACOB MAMMEN

SUSAN KURIAN

REGISTRARS & SHARE TRANSFER AGENTS

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

BANKERS
INDIAN OVERSEAS BANK
SOUTH INDIAN BANK

AUDITORS
S R MANDRE & CO

REGISTERED OFFICE
29, Empire Infantry, 3rd Floor, Infantry Road,
Bangalore - 560 001

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

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

The Directors have pleasure in presenting before you the 51st Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March 2017.

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 March 31, 2017 ₹ in Lakhs	Financial year ended March 31, 2016 ₹ in Lakhs
Revenue from Operations	2,012.62	1,875.95
Operating Expenditure	1,915.26	1,788.09
Earnings Before Interest, Tax, Depreciation & Amortization (EBITDA)	114.34	100.86
Other income (net)	16.98	12.99
Finance costs	61.94	67.12
Depreciation & amortization expense	8.41	8.00
Profit for the year after tax	43.99	25.73
Balance brought from previous year	-43.09	-63.97
Amount available for appropriation	1.14	-38.03
Adjustment relating to fixed assets	-	-
Adjustment relating to TDS & FBT	-	-8.90
Adjustment relating to Income Tax provision	-	3.80
Provision for taxation	-	-
Amount transferred to General reserve	1.14	-43.13
Dividend	-	-
Balance carried to balance sheet	1.14	-43.13
The position of reserves is as under:		
General Reserve	1.14	-43.13

OPERATIONS & PERFORMANCE:

Your directors are happy to inform that the company has maintained and in fact slightly increased its turnover as compared to previous year. However, on account of tight control over costs, the company was able to improve its profitability to Rs.43.99 lakhs as compared to previous year profit of Rs.25.73 lakhs the company was also able to wipe off its carry forward loss.

PROSPECTS:

The company is taking steps to shift the present manufacturing facilities from rented premises to its own premises at Ranipet in the coming year. The company has also identified improved production process thereby production efficiency is expected to improve. Your directors are confident that with this move, company's turnover and the profitability would improve in the coming year.

DIVIDEND:

As already indicated above, company was able to wipe off all its carry forward loss and is expected to improve its performance and post healthy profit in the coming year.

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 2017-18 to BSE Limited where the Company's Shares are listed.

DEMATERIALISATION OF SHARES:

Your company's 41% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March 2017 and

balance 59% 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 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 2017, the applicable accounting standards have been followed and there are no material departures;
- 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;
- 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 2016-17.

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.21.9 to the financial statement which sets out related party disclosures.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. Jacob Mammen (DIN 0078010) Director of the company retires by rotation and is eligible for reappointment.

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

The present tenure of Mr. Roy Mammen (DIN 00077409) as Managing Director of the Company comes to end during September 2017. As the Company has made substantial progress under the guidance of Mr. Roy Mammen, the Board of directors have re-appointed Mr. Roy Mammen as Managing Director on such terms and conditions which is subject to approval by the members at the ensuing Annual General Meeting.

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 30.05.2017. 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 four times during the financial year from 1st April, 2016 to 31st March 2017. 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
30.5.2016	6	4
22.7.2016	6	6
27.10.2016	6	4
23.01.2017	6	4

NUMBER OF AUDIT COMMITTEE MEETING 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 Member as on date	No.of Members Present
30.05.2016	3	3
22.07.2016	3	3
27.10.2016	3	3
23.01.2017	3	3

AUDIT OBSERVATIONS:**i) Statutory Auditors :**

The Auditors, Messrs. S R. Mandre & Company, Chartered Accountants (Firm registration No 001962S), Statutory Auditors of the Company would retire on the conclusion of this Annual General Meeting on completion of their term of appointment.

Since Messrs S R. Mandre & Company, Chartered Accountants , are not eligible for re-appointment as Statutory Auditors of the Company as per Companies Act, 2013, the Board of Directors on recommendation of the Audit Committee, recommended the appointment of Messrs Vandana Rao and Company , Chartered Accountants,(Firm Registration No.011628S) as Statutory Auditors of the Company for a period of 5(five) years, in place of Messrs S R. Mandre & Company, Chartered Accountants to hold office from the conclusion of 51st Annual General Meeting until the conclusion of 56th Annual General Meeting , subject to ratification of their appointment at every Annual General Meeting. Consent and Certificate from the said firm has been received to the effect that their appointment as Statutory Auditors of the Company, if appointed at ensuing Annual General Meeting, would be according to the terms and conditions prescribed under Section 139 of the Act and Rules framed thereunder.

A resolution seeking their appointment forms part of the Notice convening the 51st Annual General Meeting and the same is recommended for your consideration and approval.

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 2016-17 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 Audit :

M/s.M.Damodaran & Associates, Chennai was appointed as Secretarial Auditors for carrying out the secretarial audit for the financial year 2016-17.

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.

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, 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 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 2016-17 in lakhs	Remuneration paid FY 2015-16 in lakhs	Increase in remuneration from previous year in lakhs	Ratio/Times per Median of employee remuneration
1.	Mr. Roy Mammen	Managing Director	17.82	16.50	1.32	8.61
2.	Mr. Mammen Philip	Director corporate affairs	2.07	2.07	-	0.00

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 behaviors, 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

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: 30.5.2017

ASHOK KURIYAN
Director
(DIN: 00081374)

ROY MAMMEN
Managing Director
(DIN: 00077409)

ANNEXURE - A

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration of Managerial 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/s. 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/s. M M RUBBER COMPANY LIMITED'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 opinion, the company has, during the audit period covering the financial year ended on 31.03.2017 complied with the statutory provisions listed here under 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 31.03.2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules/regulations made there under;
- (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, 2015;
 - (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 Regulations/Standards of the following:

- i) The Listing Agreement entered into by the Company with Bombay Stock Exchange Limited under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- ii) The Secretarial Standards issued by the Institute of Company Secretaries of India.

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 appointed Whole-time Company Secretary as per section 203 (1) of the Companies act, 2013 read with Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. However, the Company has taken steps for identifying to appoint suitable person to the post of Company Secretary.

(b) The Company has not appointed Chief Financial Officer (CFO) as per section 203 (1) of the Companies act, 2013 read with Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

(c) There was minor deviation in closure of trading window under Securities and Exchange Board of India (Prohibition of insider trading) Regulations, 2015.

I further report that the Board of Directors of the Company is constituted with Executive Director, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

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
Date : 30.05.2017

Name of Company Secretary in practice:

M. Damodaran
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 31.03.2017

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	-	180158	180158	3.6172	-6.1789
b) Central Govt.or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)	-	487904	487904	9.7961	-	180158	180158	3.6172	-6.1789
(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	-	180158	180158	3.6172	-6.1789
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	700	700	0.0140	-	700	700	0.0140	-
c) Central govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	-	700	700	0.0140	-	700	700	0.0140	-
(2) Non Institutions									
a) Bodies corporates	86692	402413	489105	9.8202	110377	402363	512740	10.2948	0.4745
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	1585903	1932982	3518885	70.6523	1506766	2076505	3583271	71.9450	1.2927
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	244000	52500	296500	5.9531	346600	181114	527714	10.5954	4.6423
c) Any Other (specify) Hindu undivided families	70955	-	70955	1.4246	62029	-	62029	1.2454	-0.1792
Clearing members	263	-	263	0.0052	500	-	500	0.0100	0.0047
NRIs	31307	84555	115862	2.3262	29007	84055	113062	2.2700	0.0562
d) Foreign Bodies Corporate	-	-	-	-	-	-	-	-	-
Trusts	191	200	391	0.0078	191	200	391	0.0078	-
SUB TOTAL (B)(2):	2019311	2472650	4491961	90.1897	2055470	2744237	4799707	96.3687	6.1789
Total Public Shareholding (B)= (B)(1)+(B)(2)	2019311	2473350	4492661	90.2038	2055470	2744937	4800407	96.3827	6.1789
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2019311	2961254	4980565	100.0000	2055470	2925095	4980565	100.0000	-