



M.M. RUBBER COMPANY LIMITED

54th ANNUAL REPORT 2019-20

M.M. RUBBER COMPANY LIMITED

BOARD OF DIRECTORS

ROY MAMMEN - Managing Director

ASHOK KURIYAN

KARUN PHILIP

JACOB MAMMEN

SUSAN KURIAN

REGISTRARS & SHARE TRANSFER AGENTS

CAMEO CORPORATE SERVICES LTD
Subramaniam Building
5th Floor
No. 1, Club House Road
Chennai-600 002
Phone : 28460390

BANKERS

INDIAN OVERSEAS BANK
SOUTH INDIAN BANK

AUDITORS

Messrs. Vandana Rao and Company
Chartered Accountants
Bangalore-560 011

REGISTERED OFFICE

29, Empire Infantry, 3rd Floor, Infantry Road
Bangalore-560 001
Phone : 080-22866268
GST No. : 29AAACM2611E1ZX
PAN : AAACM2611E
CIN : L25190KA1964PLC052092

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 ID : mmfoam27@gmail.com

NOTICE

To
The Members,

Notice is hereby given that the 54th Annual General Meeting of the members of M.M. Rubber Company Limited, will be held on Friday, 25th September, 2020 at 10.30 AM. through video conference at Registered office of the Company, "Empire Infantry", 3rd Floor, No.29, Infantry Road, Bangalore-560001, to transact the following business:

ORDINARY BUSINESS:**Item No.1: Adoption of Accounts:**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT, the Audited Balance sheet as at 31st March,2020 the statement of Profit and loss, notes forming part thereof, the cash flow statement for the year ended 31.03.2020, Financial Statements, together with the Directors' Report and the Auditors' Report thereon as circulated to the members and presented to the meeting be and the same are hereby approved and adopted."

Item No.2: Re-Appointment of Retiring Director:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

To appoint a Director in place of Mr. Karun Philip (DIN: 01091468) who retires by rotation as per Section 152 and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:**Item No.3: Re-Appointment of Mr. Kandathil Ashok Kuriyan (DIN: 00081374), as an Independent Director:**

To consider and if thought fit to pass the following resolution with or without modification as a 'Special Resolution':

"RESOLVED THAT, pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made there under, including any amendment, modification, variation or re-enactment thereof read with Schedule IV of the Companies Act, 2013, for the time being in force, **Mr. Kandathil Ashok Kuriyan (DIN: 00081374)**, Director of the Company, in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Independent Director and who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act, be and is hereby re-appointed as an Independent Director of the Company, to hold office as such for a further period of 5 (five) consecutive years, with effect from the date of this Meeting and that he shall not be liable to retire by rotation."

Item No.4: Re-Appointment of Ms. Susan Kurian (DIN:00349062), as an Independent Director:

To consider and if thought fit to pass the following resolution with or without modification as a 'Special Resolution':

"RESOLVED THAT, pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made there under, including any amendment, modification, variation or re-enactment thereof read with Schedule IV of the Companies Act, 2013, for the time being in force, **Ms. Susan Kurian (DIN:00349062)**, Director of the Company, in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of Independent Director and who has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Act, be and is hereby re-appointed as an Independent Director of the Company, to hold office as such for a further period of 5 (five) consecutive years, with effect from the date of this Meeting and that she shall not be liable to retire by rotation."

Item No.5:Re-Appointment of Mr. Roy Mammen (DIN : 00077409) as Managing Director:

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“**RESOLVED THAT**, pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force, and pursuant to the recommendations of the Remuneration and Nomination committee, Board of Directors, approval of the Company be and is hereby accorded to re-appoint **Mr. Roy Mammen (DIN: 00077409)** as Managing Director of the Company for a further period of 3 (Three) years with effect from 01.10.2020 to 30.09.2023 and payment of remuneration not exceeding Rs. 2,00,000/- p.m., (Rupees Two Lakhs) as outlined below with liberty to the Board to alter and vary the terms and conditions of remuneration as it may deem fit and as may be acceptable to Mr. Roy Mammen (DIN: 00077409) for a period of 3 (Three) years with effect from 01.10.2020 to 30.09.2023 subject to the same not exceeding the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013, in case of no profits/inadequate profits or any statutory modification(s) or re-enactment thereof.”

After discussion, it was decided that the following terms of remuneration, be recommended to the members for their approval.

- i) Salary of Rs. 2,00,000/- per month in the grade of Rs. 2,00,000-15,000-2,15,000-15,000-2,30,000.
- ii) Commission at the rate of 1% of the net profit of the company calculated in the manner laid down in the relevant provisions of the Companies Act, 2013
- iii) Company's contribution to Provident Fund in the manner as applicable to other employees of the company in accordance with the rules of the company
- iv) Gratuity as per the rules of the company
- v) The contribution to Provident Fund or any annuity fund will not be included in the ceiling of any salary or perquisites.

In addition, Mr. Roy Mammen is entitled for following allowances perquisites, facilities, and amenities subject to the rules of the company.

- i) A furnished accommodation or in lieu thereof or HRA at 50% of the salary. Further the company to incur all expenses in connection with such accommodation such as gas, water, electricity, furnishing and other maintenance expenses, servants etc.,
- ii) Medical reimbursement as per rules of the company on himself, mother, spouse, and his dependent children.
- iii) Reimbursement of club fee and expenses incurred for the purpose of business.
- iv) Leave Travel Assistance to self and family as per the rules of the company.
- v) Children education allowance limited to two children up to the age of 24 years.

The perquisites allowed/paid shall be evaluated as per the Income Tax Rules, 1962, wherever applicable and in the absence of any such Rules, perquisites shall be evaluated at cost.

CONVEYANCE & TELEPHONE

Provision of Car for use on company's business and telephone at residence will not be considered as perquisites. Mr. Roy Mammen will repay to the company the personal calls on telephone. Personal use of car to be considered as perquisite.

REIMBURSEMENT OF ENTERTAINMENT EXPENSES

Mr. Roy Mammen shall also be entitled to remuneration as per Schedule V to the Companies Act, 2013 and applicable guidelines if any. The aforesaid remuneration and terms and conditions may be varied by the Board, including the overall ceiling on remuneration, any other allowances, benefits, and perquisites may also be included in accordance with policy of the company.

MINIMUM REMUNERATION

In the event of absence of inadequacy of profit in any financial year during the tenure of his appointment, the Whole-time Director may be paid the substantive remuneration as stated above as the that unless approved by the shareholders and the Central Government if so required, as may be necessary, the amount salary, commission, perquisites and other allowances payable to the whole-time director shall be subject to the limits prescribed under Part II of Schedule VI of the Companies Act as may be in force for the time being.

“FURTHER RESOLVED THAT, any one Director and or Company Secretary of the Company be and is hereby authorized to file requisite returns with Ministry of Corporate Affairs and to take all other necessary steps to give effect to the above resolution.”

//By Order of the Board//

Place: Bangalore
Date: 21-08-2020

Roy Mammen
Managing Director
(DIN:00077409)

NOTES:

1. The statement, pursuant to Section 102 of the Companies Act, 2013 with respect to item No.3, item No. 4, item No.5, forms part of this notice. Additional information, pursuant to Clause 49 of the Listing Agreement with the Stock Exchange in respect of Directors seeking appointment at the Annual General Meeting is furnished as annexure to the Notice.
2. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs vide its Circular dated 5th May, 2020 read with Circulars dated 8th April, 2020 and 13th April, 2020 (collectively referred to as 'Circulars'), has introduced certain measures enabling companies to convene their Annual General Meetings (AGM/ Meeting) through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) and also send notice of the Meeting and other correspondences related thereto, through electronic mode. In compliance with the said requirements of the MCA Circulars, electronic copy of the Notice along with the Annual Report for the financial year ended 31st March, 2020 consisting of financial statements including Board's Report, Auditor's Report and other documents required to be attached therewith (Collectively referred to as Notice) have been sent only to those members whose e-mail id is registered with the Company or the Registrar and Share Transfer Agent or the Depository Participant(s) through electronic means and no physical copy of the Notice has been sent by the Company to any member. The Notice has also been hosted on the website of the Company.
3. A member entitled to vote at the AGM is entitled to appoint proxy to attend and vote on his/her behalf and proxy need not be a member. In terms of MCA Circulars, since physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, facility of appointment of proxies by Members under Section 105 of the Act, will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
4. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and the Members can join the AGM by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC/OAVM will be made available on first come first serve basis.
5. Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. The Company's Registrar and Share Transfer Agent for its Share Registry work (Physical and Electronic) are M/s. Cameo Corporate Services Limited, having their office premises at 'Subramanian Building', No.1, Club House Road, Chennai - 600 002.
7. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of Equity Shares of the Company will remain closed from 19th September, 2020 to 25th September, 2020 both days inclusive.
8. Pursuant to provisions of Section 72 of the Companies Act, 2013, Members can avail of the facility of nomination in respect of shares held by them in physical form. Members desiring to avail this facility may send their nomination in the prescribed Form SH-13 (Form attached) duly filled in to the Company's Registrar and Share Transfer Agent: M/s. Cameo Corporate Services Limited, 'Subramanian Building', No.1, Club House Road, Chennai - 600 002. Members holding shares in electronic form may contact their respective Depository Participant for availing this facility.
9. Members are requested to intimate immediately any change of address to their Depositories Participants (DPs) in respect of their holdings in demat form and to the Company's Registrar and Share Transfer Agent M/s. Cameo Corporate Services Limited, 'Subramanian Building', No.1, Club House Road, Chennai - 600 002, in respect of their physical share folios, if any.
10. Members who are desirous of seeking any further information or clarification, if any, particularly with regard to the accounts are requested to write to the Company at least seven days in advance of the meeting so that the information can be made available at the meeting.
11. As per SEBI directive, it is mandatory for the transferee to furnish self-attested copy of the PAN (Permanent Account Number) card to the Company/RTA for registration of transfer/transmission/transposition of shares in the physical form.
12. Electronic (soft) copy of the Notice of the 54th Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with the Annual Report for 2019-20 is being sent to all the Members whose e-mail IDs are registered with the Company/Depository Participant(s)/ Registrar Transfer Agent for communication purposes. Due to current pandemic situation of COVID-19 and as per the General Circular No.18/2020 dated April 21, 2020 and General Circular No.20/2020 dated May 5, 2020, Company decided to conduct the meeting through Video Conference.

13. The Company has been informed to all the member through new paper advertisement dated 31st July, 2020 and requested the members to register their e-mail address, with their respective Depository Participants/Company or Registrar Transfer Agent, hence Company is not sending any physical copies of the Notice of the 54th Annual General Meeting of the Company. Detail process of E-Voting through VC is explained below.
14. As per Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) details in respect of the Directors seeking appointment or re-appointment at the Annual General Meeting, nature of their expertise in specific functional areas, their other directorship and committee memberships, their shareholding and relationship with other directors of the Company are given below:

Name of the Director	MR. ROY MAMMEN	Dr. KARUN PHILIPOSE PHILIP	MS. SUSAN KURIAN	MR. KANDATHIL ASHOK KURIYAN
Date of Birth	22-09-1969	30-03-1966	15-02-1961	14-10-1952
Age	51 Years	54 Years	59 Years	68 Years
Qualification	Graduate	Post-Graduate	Graduate	Graduate
List of companies in which directorship is held as on 31st March, 2020	1. M M Containers Private Limited 2. Badra Estates and Industries Limited 3. Balanoor Plantations and Industries Limited 4. Stable Investments and Finance Company Limited	1. M. M. Housing Private Limited 2. M.M. Machine Technologies Private Limited	1. A and A Printers Private Limited	1. M M Publications Limited 2. Balanoor Plantations And Industries Limited 3. Stable Investments And Finance Company Limited 4. Mammen Mappillai And Investments Private Limited 5. Indo Roses And Floriculture Limited 6. Jayapura Welfare Foundation 7. M.M. Housing Private Limited 8. Indo Bloom Limited 9. Balanoor Printers Limited 10. Ashok Peter Jacob Investments Private Limited 11. Pandalur Plantations Private Limited
Shareholding as on 31st March, 2020				
a) Held individually	296514	74259	7000	3275
b) Held jointly with others	NIL	NIL	NIL	NIL

// BY ORDER OF THE BOARD //

For M.M. RUBBER COMPANY LIMITED

Roy Mammen
Managing Director

(DIN:00077409, Address: No. 12,
Walton Road, Behind UB City, Bangalore North
Bangalore-560001)

Place: Bangalore
Date: 21-08-2020

Explanatory Statement

(Pursuant to Section 102 of the Companies Act, 2013)

In Respect of Item No.3 and 4: Re-Appointment of Mr. Kandathil Ashok Kuriyan (DIN: 00081374), and Ms. Susan Kurian (DIN:00349062), as an Independent Director:

Mr. Kandathil Ashok Kuriyan, and Ms. Susan Kurian were appointed as an Independent Directors of the Company pursuant to Section 149 of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014, by the Shareholders at the Annual General Meeting held on 25th September, 2015 to hold office for a period of five years with effect from 25th September, 2015 ("first term" as per the explanation to Section 149(10) and 149(11) of the Act.).

The Nomination & Remuneration Committee at its Meeting held on 26th June, 2020 after taking into account the performance evaluation of these Independent Directors, during their first term of five years and considering the knowledge, acumen, expertise and experience in their respective fields and the substantial contribution made by these Directors during their tenure as an Independent Director since their appointment, has recommended to the Board that continued association of these Directors as an Independent Directors would be in the interest of the Company. Based on the above, the Nomination & Remuneration Committee and the Board has recommended the re-appointment of these Directors as an Independent Directors on the Board of the Company, to hold office for the second term of five consecutive years commencing from 26th September, 2020 upto 25th September, 2025, and not liable to retire by rotation.

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Mr. Kandathil Ashok Kuriyan, and Ms. Susan Kurian for their appointment to the office of Independent Directors.

Accordingly, the Board recommends the Special Resolution set forth in Item No. 4 and 5 of the Notice for approval of the Members.

Except Mr. Kandathil Ashok Kuriyan, and Ms. Susan Kurian, none of the Directors, Key Managerial Person or relatives of Directors or Key Managerial Person of the Company, is interested in this resolution.

Item No.5: Re-Appointment of Mr. Roy Mammen (DIN: 00077409) as Managing Director:

The following statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice.

- Meaning, scope & Implication of the items of the business:

Mr. Roy Mammen's tenure as Managing Director expires during September, 2020. During his tenure, the company's turnover has constantly raised. In view of the same the Board of Directors thought that continuing Mr. Roy Mammen as Managing Director is of utmost important and accordingly re-appointed him as Managing Director with effect from 1.10.2020 and certain terms and conditions regarding remuneration. As per the provisions of the Companies Act such terms and conditions shall have the approval of the members in General Meeting. Hence, the proposed resolution.

Mr. Roy Mammen and Mr. Jacob Mammen may be considered as interested in the resolution.

In view of the growth in the business activities and increased volume of work, the Remuneration Committee and subsequently the Board of Directors considered it just, fair and reasonable to re-appoint Mr. Roy Mammen (DIN: 00077409) as Managing Director.

The Nomination and Remuneration Committee and the Board of Directors at their meeting held on 26.06.2020 have approved the Re-appointment of Mr. Roy Mammen (DIN: 00077409) as Managing Director for a period of three years with effect from 01.10.2020 to 30.09.2023 and payment of remuneration will be as per Schedule V more-fully described in the proposed resolution.

Pursuant to the provisions of Sections 196, 197, 198, 203 of the Companies Act, 2013 read with Schedule V of the Act and all other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time, the Special Resolution mentioned under Item No.5 of the Notice is placed before the members for approval.

Your Directors recommend the Special Resolution for approval of the Members.

Except Mr. Roy Mammen, none of the Directors are concerned or interested in this Resolution.

As required under Part II of Schedule V of the Act, additional information is provided as under:

I. General Information:				
(1) Nature of industry	Manufacture of Foam-based products such as Beds, Pillows etc.,			
(2) Date or expected date of commencement of commercial production	Not applicable since it is an existing company.			
(3) Financial performance based on given indicators	Year	2019-20	2018-19	2017-18
		₹ in lakhs	₹ in lakh	₹ in lakh
	Net profit/loss before depreciation and interest	(56.16)	155.21	135.54
	Depreciation and interest	77.98	95.63	90.95
	Exceptional Items	189.63	00.00	00.00
	Net profit/loss after depreciation, interest and Exceptional Items	55.49	59.58	44.59
(4) Export performance based on given indicators	Company is not exporting any goods.			
(5) Foreign Investments	NIL			
II. Information About the Appointee:				
(1) Background details	<p>Mr. Roy Mammen was first appointed as Managing Director in the year 2006 for a period of 5 years and thereafter there was further renewal as per the provisions of the Companies Act.</p> <p>Mr. Roy Mammen during his association with the company was instrumental in stabilizing the activities and expanding the product range dealt by the company, thereby ensuring the growth of the company's turnover. Further, the profitability of the company was healthy during his tenure except for the year in view of the outbreak of COVID-19 pandemic which has resulted in significant reduction in sales during the month of March, 2020. Further during this year, he was able to get the Excise refund of 1.89 crores for the case which was pending for a long time.</p>			
(2) Past remuneration	<p>Mr. Roy Mammen when he was appointed in the year 2006 as Managing Director of the company was paid a remuneration of Rs. 18,500/- with perquisites. On improved performance of the company, the members of the company at their meeting held on 29th September, 2010, enhanced remuneration to Rs. 45,000/-, the members of the company at their meeting held on 27th September 2012, enhanced remuneration to Rs. 60,000/- and the members at their meeting held on 26th September, 2014, enhanced remuneration to Rs.1,00,000/-with perquisites and the members at their meeting held on 25th September, 2017, enhanced remuneration to Rs. 1,60,000/- with perquisites and presently he is drawing Rs.2,00,000/- pm. with perquisites.</p>			
(3) Recognition or awards	Company continues to be one of the pioneers in Foam Bedding Industry and is recognized for its quality and reliability.			
(4) Job profile and his suitability	Mr. Roy Mammen has considerable experience in Foam Industry and has extensively travelled all over the world in studying the latest technology in the industry and is constantly trying to adopt such technology in improving the quality of the company's produce.			
(5) Remuneration proposed	As per the resolution attached to the Notice seeking re-appointment and the remuneration.			
(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration proposed is reasonable and compares favorably with the remuneration for similar post-paid to his peers in the industry. Further, Mr. Roy Mammen's role and responsibility have considerably increased on account of expansion of the product range and the input he provides in guiding in adoption of latest technology for the product manufactured.			
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Mr. Roy Mammen owns 296514 shares of the company amounting to 4.75% of capital of the company. Mr. Jacob Mammen is his brother who is the Managing Director of M/s. Badra Estates & Industries Ltd., is in the Board of Directors of the Company.			

III. Other Information:	
(1) Reasons of loss or inadequate profits	Not applicable
(2) Steps taken or proposed to be taken for improvement	The company constantly undertakes steps to improve the quality of its product and accordingly the company consistently changes the product process wherever requires. The company's distribution network is constantly monitored
(3) Expected increase in productivity and profits in measurable terms.	The company in view of its recent experience of managing production and distribution network are confident that it would be able to constantly improve its performance and thereby its profitability
IV. Disclosures:	
(i) Elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;	NIL
(ii) Details of fixed component and performance linked incentives along with the performance criteria;	As per Resolution
(iii) Service contracts, notice period, severance fees.	Not applicable
(iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.	Nil

- Interest of Director, Key Managerial personnel, and their relatives:
Except Mr. Roy Mammen none of the
 - i) Director,
 - ii) Key Managerial Personnel (CEO & CFO)
 - iii) Relatives of the persons mentioned in i& ii are interested in the above said resolution.
- Relevance of Resolution in any other Company.
The above resolution does not affect any other company.
- Inspection of Documents
There are no documents required for inspection for the purpose of this resolution.

// BY ORDER OF THE BOARD //

For M.M. RUBBER COMPANY LIMITED

Roy Mammen
Managing Director
(DIN:00077409, Address:No.12,
Walton Road, Behind UB City, Bangalore North
Bangalore-560001)

Place: Bangalore
Date: 21-08-2020

E-VOTING FACILITY:

As per Section 108 of the Companies Act, 2013, read with Companies (Management and Administration) Rules 2014, e-voting facility is provided in respect of voting for the resolutions to be passed in the Annual General Meeting.

INSTRUCTIONS FOR E-VOTING:

The company has appointed G Akshay & Associates, Practicing Company Secretaries, #615/22, IV Cross, Raghavendra Colony, Bilekahalli, Behind IIMB, Bannerughatta Road, Bengaluru – 560076, to act as the Scrutinizer for conducting the electronic voting process in a fair and transparent manner as follows:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 22nd September, 2020 at 9 A.M. and ends on 24th September, 2020 at 5 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 18th September, 2020, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first-time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details or Date of Birth	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on “**SUBMIT**” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see “**RESOLUTION DESCRIPTION**” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “**RESOLUTIONS FILE LINK**” if you wish to view the entire Resolution details.

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- (xv) After selecting the resolution, you have decided to vote on, click on **“SUBMIT”**. A confirmation box will be displayed. If you wish to confirm your vote, click on **“OK”**, else to change your vote, click on **“CANCEL”** and accordingly modify your vote.
 - (xvi) Once you **“CONFIRM”** your vote on the resolution, you will not be allowed to modify your vote.
 - (xvii) You can also take out print of the voting done by you by clicking on **“Click here to print”** option on the Voting page.
 - (xviii) If Demat account holder has forgotten the login Password, then Enter the User ID and the image verification code and click on **Forgot Password** & enter the details as prompted by the system.
 - (xix) Shareholders can also cast their vote using **CDSL's mobile app m-Voting** available for android based mobiles. The-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company/RTA email id.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / iPad for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xx) Note for Non – Individual Shareholders and Custodians

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.,) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same. Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; csakshayg@gmail.com and mmfoam27@gmail.com respectively, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

Pre-Requisites for Stakeholders/panellists/Speakers:

- Participant to join using his/her own laptop on software provided (laptop to have good quality camera and microphone and internet connectivity we strictly recommend dedicated 1-2mbps lease line connection)
- Laptop with Standard configuration. Recommended configuration is: Windows 10 ProOS, i3 processor, 4 GB Ram, Built Camera or USB Web camera for all Speakers.
- Any Desk software installed for remote access for the Technical team on the host side.
- Good Internet connectivity without proxy & firewall. Recommended speed is 2 mbps (1:1) for all speakers/ stakeholders.
- We will share one link to join the meeting, Customer should accept the meeting invite and join the meeting by accepting the meeting Link.
- Recommended to assign 1 moderator from your side also to handle your all users. We will provide training to your moderator in advance as well as our technical team will also be in support at the time of video conferencing.
- Company panelist members/speakers/viewer to download the respective software/app of respective platform provider for eg: cisco WebEx, webinar or any other platform in advance & ready to connect fast for meeting.

Pre-Requisites for Shareholders/Viewers/ Attendees:

- Any internet enabled device – Laptop/Desktop/Smartphone/Tablet.
- Latest internet browser.
- Laptop/desktop with at least Core2duo processor, 1GB RAM, good quality multimedia kit, Internet connectivity good quality without proxy & firewall –ideally broadband connectivity- 512 kbps or 2 mbps and above dedicated bandwidth.
- Ports 1935, 443 and 80 should be opened to allow streaming content.
- iPad viewers to have good internet connection of at least 1 Mbps bandwidth to view the webcast.
- Access of Webcast url.
- Shareholders/viewers/Attendee to download the respective software/app of respective platform provider for eg: cisco WebEx, webinar or any other platform in advance & ready to connect fast for meeting.

FORM No. SH-13
Nomination Form
[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies
(Share Capital and Debentures) Rules 2014]

To
 The Board of Directors,

I _____ the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of Securities	Folio No.	No. of Securities	Certificate No.	Distinctive No.	
				FROM	TO

(2) PARTICULARS OF NOMINEE/S

(a) Name	
(b) Date of Birth	
(c) Father's/Mother's/Spouse's Name	
(d) Occupation	
(e) Nationality	
(f) Address	
(g) E-mail id	
(h) Relationship with the security holder	

(3) IN CASE OF NOMINEE IS A MINOR -

- (a) Date of Birth : _____
- (b) Date of attaining majority : _____
- (c) Name of Guardian : _____
- (d) Address of Guardian : _____

Name of the Security Holder	
Signature	

Witness

Name	
Address	



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 ID : mmfoam27@gmail.com

BOARD'S REPORT

**To the Members,
M.M. Rubber Company Limited,**

The Directors have pleasure in presenting before you the 54th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2020.

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 Mar 31, 2020 ₹ in lakhs	Financial year ended Mar 31, 2019 ₹ in lakhs
Revenue from Operations	3127.01	2998.93
Other Income	2.47	1.79
Profit before Exceptional Items and Tax	(134.14)	59.58
Exceptional Items (Expenses)/Income	189.63	-
Profit before tax	55.48	59.58
Less: Taxation		
Current tax	15.00	12.00
Deferred Tax(credit)/Debit	18.21	-
Profit for the year	22.27	47.58
Total other comprehensive income (net of tax)	69.58	-
Total Comprehensive income for the year	91.85	47.58

OPERATIONS & PERFORMANCE:

Your directors are happy to inform that the company has maintained and in fact increased its turnover marginally as compared to previous year. The turnover could have been much more if not for the outbreak of COVID-19 pandemic, which has resulted in significant reduction in sales during the month of March, 2020. The Company's profitability has taken a dip on account of this and more over the Company has settled Seven workers by paying an amount of Rs. 80 lakhs on account of Gratuity and Compensation (The Company settles the gratuity liability as and when the employees leave the Organization). The settlement is in view of shifting its operation from Chennai to Ranipet and those workers who are not willing to go to Ranipet has been offered a settlement. The nationwide lockdown ordered by the government on account of COVID-19 has resulted in significant reduction in economic activities and the business operations of the Company in terms of sales and production. However, all efforts are being made to get back to active business. The Company during the year was able to get the refund of excise duty of Rs. 1.89 Crores for the case which was pending for a long time.

PROSPECTS:

The work at company's own premises at Ranipet is completed and the Company has started production of latex Rubber sheet. However, shifting of machinery from its unit at Chennai to Ranipet is still pending which will be done during the coming year. There by the company will be able to produce more and also reduce its overheads and will discontinue import of latex rubber sheets shortly. Your directors are confident that with this move, company's turnover and the profitability would improve. However, the present situation in view of the out-break of COVID-19 pandemic has put the Company in a tight spot and the prospects for the coming year looks very grim.

DIVIDEND:

As already indicated above, by shifting to Ranipet the company is expected to improve its performance and post healthy profit in the coming year.

RESERVE:

The Company has not proposed to transfer any amount to the general reserve.

CAPITAL STRUCTURE:

a. BUY BACK OF SECURITIES:

The Company has not bought back any of its securities during the year under review.

b. SWEAT EQUITY:

The Company has not issued any Sweat Equity Shares during the year under review.

c. BONUS SHARES:

No Bonus Shares were issued during the year under review.

d. RIGHTS ISSUE:

The Company has not issued any Rights issue during the year under review.

e. EMPLOYEES STOCK OPTION PLAN:

The Company has not provided any Stock Option Scheme to the employees.

f. SHARES WITH DIFFERENTIAL RIGHTS:

Company has not issued any shares with Differential Rights for the year under review.

g. ISSUE AND ALLOTMENT OF EQUITY SHARES ON THE BASIS OF PREFERENTIAL ALLOTMENT:

Company has issued equity shares on preferential basis consisting of 12,61,807 equity shares of Rs. 62/- each with a premium of Rs. 60/- each and allotted 12,50,516 equity shares of Rs 62/- each with a premium of Rs. 60/- each.

LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the year 2020-21 to BSE Limited where the Company's Shares are listed.

DEMATERIALIZATION OF SHARES:

Your company's 62.12% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2020 and balance 37.88% 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 & KEY MANAGERIAL PERSONNEL:

As on March 31, 2020, your Board comprises of 5 Directors including 2 Independent Directors.

Mr. Mammen Philip a director of the Company retires from Board on 31st March, 2020 due to his old age and deteriorating health.

Mr. Kandathil Ashok Kuriyan (DIN: 00081374) shall be re-appointed as an Independent Director for a period of 5 (five) consecutive years.

Ms. Susan Kurian (DIN:00349062), shall be re-appointed as an Independent Director for a period of 5 (five) consecutive years.

DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149 of the Act, and the SEBI LODR.

BOARD & PERFORMANCE EVALUATION:

During the year, the Board has carried out the annual evaluation of its own performance, the performance of the Directors individually as well as the evaluation of Committees of Board.

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 30.05.2019. 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, 2019 to 31st March, 2020. 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
30.05.2019	6	4
24.07.2019	6	4
25.10.2019	6	4
04.02.2020	6	5

NUMBER OF AUDIT COMMITTEE MEETINGS 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 Members as on date	No. of Members Present
30.05.2019	3	2
24.07.2019	3	3
25.10.2019	3	2
04.02.2020	3	3

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, 2020, the applicable accounting standards have been followed and there is 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 2019-20.

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:

Sr. No	Name	Designation	Remuneration paid FY 2019-20 in lakhs ₹	Remuneration paid FY 2018-19 in lakhs ₹	Increase in remuneration from previous year in lakhs ₹	Ratio/Times per Median of employee remuneration
1.	Mr. Roy Mammen	Managing Director	58.48	56.73	1.75	31.85
2.	Mr. Mammen Philip	Director Corporate Affairs	1.89	2.07	-0.17	0.06
3.	Mr. Machimada Muddappa Kushalappa	Chief Financial Officer	8.16	1.24	6.92	3.59
4.	Ms. Sharvari Sham Kulkarni	Company Secretary	3.26	1.14	2.12	0.83

AUDIT OBSERVATIONS:

i) Statutory Auditors:

The Auditors, Messrs. Vandana. P. Rao and Company, (Firm Registration No.011628S), Chartered Accountants, were appointed as Statutory Auditors of the Company for a period of five consecutive years at the Annual General Meeting held on 27th September, 2017, who shall hold office until the conclusion of the 56th annual general meeting to be held for the financial year 2021-22 .

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 2019-20 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 Auditor:

M/s. Akshay G and Associates, Bengaluru was appointed as Secretarial Auditor for carrying out the secretarial audit for the financial year 2019-20.

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**.

iv) Internal Auditor:

Pursuant to the provisions of Section 138 of the Act and the Rules thereunder, your Board had appointed M/s. S.R. Mandre and Co., Chartered Accountants, Bangalore as an Internal Auditors of the Company for the FY 2019-20.

INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY:

Company does not have any Subsidiary, Joint venture, or Associate Company during the period under review.

CONTRACTS AND ARRANGEMENT WITH RELATED PARTIES:

During the year, the Company has not entered 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.31 to the financial statement which sets out related party disclosures.

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.

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 memory mattress, memorise and ortho Bond mattress, contour pillow, haemorrhoid 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 cost with regards to foreign exchange and outgo appear in the notes pertaining to the accounts.

4. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
The Company has in place a Gender-Neutral Policy on Zero Tolerance towards Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.
5. Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not required by the Company as turnover of the Company is not exceeding 35 Crores and accordingly maintenance of such accounts and records are not required.

DEPOSITS:

During the year under review, the Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Act, read with the Companies (Acceptance of Deposits) Rules, 2014 including any statutory modification(s) or reenactment(s) thereof for the time being in force.

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**.

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 behaviours, 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

ORDER OF COURT:

No material orders had been passed by the Regulators or Courts or Tribunals.

CORPORATE SOCIAL RESPONSIBILITY:

The provisions for Corporate Social Responsibility ("CSR") under the Companies Act, 2013, are not applicable to the company for the current financial year.

INTERNAL FINANCIAL CONTROL:

The Internal Financial Control with reference to financial statements were operating effectively.

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.,

Sd/-
ASHOK KURIYAN
DIRECTOR
(DIN:00081374)

Sd/-
ROY MAMMEN
MANAGING DIRECTOR
(DIN:00077409)

Place: Bangalore
Date: 26.06.2020

ANNEXURE – A

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2020

[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** (herein after 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 31.03.2020 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 31.03.2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Companies (Amendment) Act, 2017;
- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iv) The Depositories Act, 1996 and the Regulations and Byelaws framed there under;
- (v) Foreign Exchange Management Act, 1999 and the rules/regulations made there under;
- (vi) 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;
- (vii) Other laws as may be applicable specifically to the company.

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 (SS-1) for Board Meeting and Secretarial Standards (SS-2) for General Meeting including revised SS-1 and SS-2 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:

I further report that the Board of Directors of the Company is constituted with Executive Director, Non-Executive Directors and Independent Directors. Mr. Mammen Philip (DIN:01091481) a director of the Company resigned from Board with effect from 31st March, 2020. Except this, 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 of the company, the company has:

- (i) Issued 12,61,807 (Twelve Lakhs Sixty One Thousand Eight Hundred and Seven) Equity shares of Rs. 2/- (Rupees Two) each at premium of Rs. 60/- (Rupees Sixty) each on preferential basis at the Annual General Meeting of the company held on 26th September, 2019.
- (ii) Allotted 12,50,516 (Twelve Lakhs Fifty Thousand Five Hundred and Sixteen) Equity shares of Rs. 2/- (Rupees Two) each at premium of Rs. 60/- (Rupees Sixty) each on preferential basis at the meeting of share allotment committee of the Board held on 30th October, 2019.
- (iii) The company has also passed Special Resolution under Section 180 (1) (c) for borrowing money for an aggregate amount of Rs. 25,00,00,000/- (Rupees 25 Crores Only) notwithstanding that the money so borrowed together with the monies already borrowed by the company and under Section 180 (1) (a) to sell/mortgages/charges/created/to be created on the assets for securing the borrowings at the Annual General Meeting held on 26th September, 2019.

Signature:

G. Akshay & Associates

Company Secretary in practice

ACS No: A41957

C.P.No: 15584

Place: Bangalore

Date: 27-07-2020

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 31.03.2020**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 -560001, Karnataka
vi	Whether listed company	:	Yes (Listed in BSE Limited)
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) :
(i) Categorywise Share Holding:

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 Share	Demat	Physical	Total	% of Total Share	
A. Promoters									
(1) Indian									
a) Individual/HUF	101830	63428	165258	3.3180	205581	0	205581	3.2992	-0.0188
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Directors and their relatives	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)	101830	63428	165258	3.3180	205581	0	205581	3.2992	-0.0188
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	101830	63428	165258	3.3180	205581	0	205581	3.2992	-0.0188
B. PUBLIC SHAREHOLDING									
1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	700	700	0.0140	-	700	700	0.0112	-0.0028
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government	-	-	-	-	-	-	-	-	-
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	0.0112	-0.0028
2) Non-Institutions									
a) Bodies Corporates	87297	402218	489515	9.8285	288710	400579	689289	11.0621	1.2336
b) Individuals									
i) Individual shareholders holding nominal share capital up to 1 lakh	1702700	1819721	3522421	70.7233	1900262	1717618	3617880	58.0618	-12.6615
ii) Individual shareholders holding nominal share capital in excess of 1 lakhs	453700	181114	634814	12.7458	1401291	181114	1582405	25.3953	12.6495
c) Any other (specify)									
i) Hindu Undivided Families	39167	0	39167	0.7863	34683	0	34683	0.5566	-0.2297
ii) Clearing Members	1776	0	1776	0.0356	297	0	297	0.0047	-0.0309
iii) NRIs	42068	84455	126523	2.5403	39600	60255	99855	1.6025	-0.9378
d) Foreign Bodies corporates	-	-	-	-	-	-	-	-	-
e) Trusts	191	200	391	0.0078	191	200	391	0.0062	-0.0016
SUB TOTAL (B) (2)	2326899	2487708	4814607	96.6678	3665034	2359766	6024800	96.6894	0.0216
Total Public shareholding (B)=(B)(1)+(B)(2)	2326899	2488408	4815307	96.6819	3665034	2360466	6025500	96.7007	0.0188
TOTAL (A)+(B)	2428729	2551836	4980565	99.9999	3870615	2360466	6231081	99.9999	0.0000
C. SHARES HELD BY CUSTODIAN FOR GDRs & ADRs	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)	2428729	2551836	4980565	100.0000	3870615	2360466	6231081	100.0000	0.0000

(ii) Share Holding of Promoters:

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in 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.	Mr. Mammen Philip	95363	1.915	-	95363	1.5304	-	-0.384
2.	Ms. Meera Philip & Mr. Peter Philip	66195	1.329	-	106668	1.7117	-	0.382
3.	Mr. Peter Philip	3700	0.0742	-	3550	0.0569	-	-0.0173

(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	165258	3.318	165258	3.318
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.)	Change in the promoter's shareholding due to issue of equity shares on the basis of preferential allotment			
3	At the end of the year	205581	3.2992	205581	3.2992

(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	Mr. Naveen Bothra	400000	8.0312	400000	6.4194
2	Braga Industries LLP	0	0	201613	3.2356
3	Ashok Peter Jacob	0	0	201613	3.2356
4	Jatinder Agarwal	48519	0.9741	122889	1.9721
5	M/S. M M Housing Private Ltd	86354	1.7338	86354	1.3858
6	M/S. Devon Plantations & Industries Limited	82814	1.6627	82814	1.3290
7	T.K. Kurien	0	0	80645	1.2942
8	M/S. Badra Estates & Industries Ltd	70000	1.4054	70000	1.1234
9	M/S. Balanoor Plantations & Industries Ltd	67850	1.3622	67850	1.0888
10	Mr. Sharad Kanayalal Shah Jt1 : Varsha Sharad Shah Jt2 : Dipak Kanayalal Shah	53700	1.0781	53700	0.8618

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors & KMP	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
Shareholding of Key Managerial Personnel:					
1	Mr. Roy Mammen	14256	0.2881	296514	4.7586
2	Mr. Mammen Philip	95363	1.9145	95363	1.5304
Shareholding of Directors:					
3	Ms. Susan Kurian	7000	0.1405	7000	0.1123
4	Mr. Jacob Mammen	6899	0.139	24328	0.3904
5	Mr. Ashok Kuriyan	3275	0.0659	3275	0.0525
6	Mr. Karun Philip	74259	1.4909	74259	1.1917

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment (in lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	508.51	20.00	-	528.51
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	508.51	20.00	-	528.51
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	404.04	20.00	-	424.04
Net Change	404.04	20.00	-	424.04
Indebtedness at the end of the financial year				
i) Principal Amount	104.47	00.00	-	104.47
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	104.47	00.00	-	104.47

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :
A) Remuneration to Managing Director, Whole-time Directors and/ Manager/ Company Secretary/ CFO: (in lakhs)

Sl. No.	Particulars	Name of MD/WTD/ Manager/ Company Secretary/ CFO				Total Amount
		Mr. Roy Mammen (Managing Director)	Mr. Mammen Philip (Director Corporate Affairs)	Mr. Machimada Muddappa Kushalappa (CFO)	Ms. Sharvari Sham Kulkarni (Company Secretary)	
	Gross salary					
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	22.15	1.89	8.16	3.26	35.64
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	36.33	-	-	-	36.33
	(c) Profits in lieu 17(3) Income Tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify	-	-	-	-	-
5	Others, please specify (Fee for attending committee meetings)	-	-	-	-	-
	Total	58.48	1.89	8.16	3.26	71.97

B) Remuneration to other Directors:

(In lakhs)

Sl. No.	Particulars of Remuneration	Name of Director				Total Amount
		Mr. Ashok Kuriyan	Mr. Jacob Mammen	Mr. Karun Philip	Mr. Susan Kurian	
1	Independent Directors					
	• Fee for attending committee meetings	0.120	-	-	0.090	0.210
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	0.120	-	-	0.090	0.210
2	Other Non-Executive Directors					
	• Fee for attending Board Committee meetings	-	0.090	0.060	-	0.150
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	-	0.090	0.060	-	0.150
	Total (1) + (2)	0.120	0.090	0.060	0.090	0.360
1	Income Tax Act, 1961 Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2	Stock option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- Others please specify	-	-	-	-	-
5	Others please specify	-	-	-	-	-
	Total	0.120	0.090	0.060	0.090	0.360

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
A. COMPANY					
Penalty Punishment Compounding			NIL		
B. DIRECTORS					
Penalty Punishment Compounding			NIL		
C. OTHER OFFICERS IN DEFAULT					
Penalty Punishment Compounding			NIL		

FORM NO. AOC-2**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis:

M.M. Rubber Company Limited has not entered into any contract/arrangement/transaction with its related parties which is not in ordinary course of business or at arm's length during FY 2019-20.

- (a) Name(s) of the related party and nature of relationship - Not applicable.
- (b) Nature of contracts/arrangements/transactions - Not applicable.
- (c) Duration of the contracts/arrangements/transactions - Not applicable.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any- Not applicable.
- (e) Justification for entering into such contracts or arrangements or transactions - Not applicable.
- (f) date(s) of approval by the Board - Not applicable.
- (g) Amount paid as advances, if any - Not applicable.
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 - Not applicable.

2. Details of material contracts or arrangement or transactions at arm's length basis:

- (a) Name(s) of the related party and nature of relationship - Not applicable.
- (b) Nature of contracts/arrangements/transactions - Not applicable.
- (c) Duration of the contracts/arrangements/transactions - Not applicable.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any- Not applicable.
- (e) Date(s) of approval by the Board, if any - Not applicable.
- (f) Amount paid as advances, if any - Not applicable.

Form shall be signed by the persons who have signed the Board's report.

ANNEXURE -C

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

a) Internal Control Systems and their Adequacy:

Management has put in place effective Internal Control Systems to provide reasonable assurance for:

- Safeguarding Assets and their usage.
- Maintenance of Proper Accounting Records and
- Adequacy and Reliability of the Information used for carrying on Business Operations.

b) Key elements of the Internal Control Systems are as follows:

- (i) Existence of Authority Manuals and periodical updating of the same for all Functions.
- (ii) Existence of clearly defined organizational structure and Authority.
- (iii) Existence of corporate policies for Financial Reporting and Accounting.
- (iv) Existence of Management information system updated from time to time as may be required.
- (v) Existence of Annual Budgets and Long-Term Business Plans.
- (vi) Existence of Internal Audit System.
- (vii) Periodical review of opportunities and risk factors depending on the Global / Domestic Scenario and to undertake measures as may be necessary.

The Company has appointed an Independent Auditor to ensure compliance and effectiveness of the Internal Control Systems in place.

The Audit Committee is regularly reviewing the Internal Audit Reports for the auditing carried out in all the key areas of the operations additionally, the Audit Committee approves all the audit plans and reports for significant issues raised by the Internal and External Auditors. Regular reports on the business development, future plans and projections are given to the Board of Directors. Internal Audit Reports are regularly circulated for perusal of Senior Management for appropriate action as required.

Normal foreseeable risks of the Company's assets are adequately covered by comprehensive insurance. Risk assessments, inspections and safety audits are carried out periodically.

c) Financial and Operational Performance:

The details are already furnished under "Activity and Performance".

d) Human Resources Development and Industrial Relations:

The Company for its employees offering various incentives and other welfare schemes to motivate the employees. The Company's relationship with its work force is cordial.

e) Cautionary Statement:

Statements in the Management Discussion and Analysis and Directors Report describing the Company's strengths, strategies, projections and estimates, are forward-looking statements and Progressive within the meaning of applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors. Readers are cautioned not to place undue reliance on the forward- looking statements.

// BY THE ORDER OF THE BOARD //
For M.M. RUBBER COMPANY LIMITED

ASHOK KURIYAN
DIRECTOR
(DIN:00081374)

ROY MAMMEN
MANAGING DIRECTOR
(DIN:00077409)

Place: Bangalore
Date: 26-06-2020

ADDENDUM REGARDING QUALIFICATION IN AUDITORS REPORT:

The Auditors in their report have qualified the following:

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

Your Directors wish to clarify as under:-

- a) The Company settles the gratuity liability of the employees as and when the said employee leaves the organization. The Company in view of its being declared 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.
- b) As already reported, the Company has completed the verification of continuing assets which are in use after the closure of the BOPP division. However, the company is in the process of shifting its production facilities to its own premises at Ranipet shortly. Pending the shifting, the company is yet to ascertain the impairment of assets if any, of the value of assets.
- c) 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.

// BY THE ORDER OF THE BOARD //
For M.M. RUBBER COMPANY LIMITED

Place: Bangalore
Date: 26-06-2020

ASHOK KURIYAN
DIRECTOR
(DIN:00081374)

ROY MAMMEN
MANAGING DIRECTOR
(DIN:00077409)

INDEPENDENT AUDITORS' REPORT**To The Members of M.M. Rubber Company Limited****Report on the Audit of the Financial Statements****Qualified Opinion**

We have audited the accompanying financial statements of M.M. Rubber Company Limited, (The Company) Bangalore which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit & Loss (including Other Comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and the other explanatory information. (Hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for disclosure of the information referred to in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and the profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

As discussed in

1. Note No. 36 to the **Ind AS** financial statements the Company's **valuation of finished goods for the reasons stated in Note is not valued as per Indian Accounting Standard No.2** as at 31 March, 2020.
2. Note No.37 to the Ind AS financial statements **Ind AS Accounting Standard No.19 on Employees Retirement Benefits has been complied with except that the Company neither has ascertained nor provided for actuarial value of its gratuity liability and Leave Encashment as at 31.03.2020**
3. Note No.38 to the Ind AS financial statements, **in the absence of updation of Fixed Asset Register, the company is in the process of ascertaining the impairment, if any, on any of the fixed assets, to this extent, Ind AS Accounting Standard No. 36 (Impairment of fixed assets) has not been complied.**
4. **In the absence of sufficient appropriate evidence and information we are unable to quantify and comment upon the consequential impact if any on the accompanying Ind AS financial statements.**

The financial statements do not adequately disclose this matter. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

Sl No.	Key Audit Matters	Auditor's Response
1	<p>As disclosed in note 20 to the financial statements, Sale of products is measured net of any Sales discounts and note 27 to the financial statements, with regard to Turnover discount, Commission on sales, Prompt payment discount.</p> <p>Total Amount involved on all the aforesaid head of accounts is quite substantial compared to the turnover .Therefore We identified the evaluation of accrual for Commission and discounts as a key audit matter.</p> <p>Material estimation by the Company is involved in recognition and measurement of discounts and commission. This includes establishing an accrual at year end, particularly in arrangements with varying terms which are based on shorter-term arrangements. In addition, the value and timing of promotions for products varies from period to period, and the activity can span beyond the year end.</p>	<p>Principal Audit Procedures</p> <p>Testing the design, implementation and operating effectiveness of Company's general IT controls</p> <p>Inspecting on a sample basis, key customer contracts. Based on the terms and conditions relating to Commission and discounts, we assessed the Company's revenue recognition policies with reference to the requirements of the applicable accounting standards;</p> <p>Performing substantive testing by selecting samples of Commission and discount transactions recorded during the year including credit notes issued and matching the parameters used in the computation with the relevant source documents;</p> <p>Understanding the process followed by the Company to determine the amount of accrual of Commission and discounts.</p> <p>Checking completeness and accuracy of the data used by the Company for accrual of Commission and discounts</p>

Emphasis of Matter

We draw attention to Note No. 39 to the Financial Statement, which describes the economic and social consequences the entity is facing as a result of Covid-19 which is impacting operations of the Company, supply chains, personnel available for work etc.

Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013(the Act) with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) . This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities: selection and application of appropriate accounting policies: making judgments and estimates that are reasonable and prudent: and the design,

implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit & Loss including other comprehensive income, the Cash Flow statement and statement of changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the financial statements.
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of Act, except for disclosure of the information referred to in the Basis for Qualified Opinion section of our report read with relevant Rules thereunder:
 - e) On the basis of the written representations received from the directors as on 31st March, 2020 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as of March 31, 2020.
 - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, based on the comments in the Auditor's Report of the Company and on the auditor's reports issued in accordance with the Order, we give in the annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

For M/s. Vandana Rao And Company
Chartered Accountants
FRN No. 011628S

(CA. VANDANA.P.RAO)
Proprietrix
Mem No.218797

Place : Bangalore
Date : 26-06-2020

ANNEXURE 'A 'TO THE AUDITOR'S REPORT

Annexure referred to in Independent Auditor's Report to the members of the company on the financial statements for the year ended 31st March, 2020, we report that:

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets; however, such Fixed Asset records do not show updated value both in respect of Gross Block and Net Block.
(b) The Fixed assets were physically verified by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. Accordingly, to the information and explanations given to us no material discrepancies were noticed on such verification.
(c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
- ii) The Inventory has been physically verified during the year by the management at reasonable intervals. There were no material discrepancies noticed on such physical verification. **However Inventory could not be Physically verified on 31.03.2020 due to Lockdown , Therefore the Inventory was verified at Factories, Godown and different branches during the month of May, 2020 after the opening up of lockdown. The Management has certified that there was no movement of Inventory Between 31.03.2020 and Post lockdown in the month of May, 2020 and accordingly the inventories on record upon commencement of Company's operations were taken as the inventories as on 31.03.2020**
- iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Hence sub clauses (a) (b) and (c) are not applicable.
- iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to loans, making investments, and providing guarantees and securities made.
- v) According to information and explanations given to us, the Company has not accepted any public deposit during the year and does not have any unclaimed deposit. There have been no instances where order has been passed by Company Law Board or National Company Law Tribunal for any contravention.
- vi) Having regard to the nature of the Company's business/activities, reporting under clause (VI) of the order with regard to cost records is not applicable.
- vii) (a) According to the information and explanations given to us, and on the basis of our examination of the records of the company, amounts deducted/accrued in the books of account in respect of the undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Income-tax, Vat, Customs Duty, Excise Duty, GST, Cess and other statutory dues with the appropriate authorities. **However for the month of March, 2020, GST was paid by the Company within the extended due date with Interest, In addition TDS for the month of March, 2020 was paid beyond the due date along with relevant Interest during the month of May, 2020 due to Impact of Covid 19.**
(b) According to the information and explanations given to us, There were no undisputed amounts payable in respect of Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Income-tax, Vat, Customs Duty, Excise Duty, GST, Cess and other statutory dues were in arrears as at 31st March 2020, for a period of more than six months from the date they became payable.
- viii) In our opinion and according to information and explanations given to us, the company has not defaulted in repayment of dues to any financial institutions, banks. **However as per RBI circular on COVID 19 the Company has opted for moratorium period for repayment of term loan and that the Company has made EMI payment Within such Extended due dates.** The Company has not issued any debentures.
- ix) The company did not raise any money by way of initial public offer including Debt instrument or further public offer or term loans during the year.
- x) According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.

-
- xi) According to the information and explanations given to us and based on our examination of the records of the company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of the section 197 read with schedule 5 to the Act.
- xii) In our opinion and according to the information and explanations given to us, the company is not a Nidhi company. Accordingly, paragraph 3 (xii) of the order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions has been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any private placements of shares or fully or partly convertible debentures during the year. However company has issued Equity shares by way of preferential allotment during the year and the provisions and requirement of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised.
- xv) According to the information and explanations given to us and based on our examinations of the records of the company, the company has not entered into non -cash transactions with directors or persons connected with them, and hence provisions of section 192 of the companies Act, 2013 are not applicable to the Company.
- xvi) The company is not required to be registered under section 45 – 1A of the Reserve Bank of India Act, 1934.

For M/s. Vandana Rao And Company
Chartered Accountants
FRN No. 011628S

(CA. VANDANA.P.RAO)
Proprietrix
Mem No. 218797

Place: Bangalore
Date: 26-06-2020

ANNEXURE 'B 'TO THE AUDITOR'S REPORT

Report on the Internal Financial Controls over Financial reporting under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 (the Act)

We have audited the internal financial controls with reference to financial statements of M M Rubber Co Ltd (the Company) as of 31st March, 2020 in conjunction with our audit of the financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of the reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility:

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note on Audit of Internal Financial Controls over Financial reporting issued by the Institute of Chartered Accountants of India to the extent applicable to an audit of Internal Financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements:

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements:

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion:

- a) **The Company has in its books fixed assets with Gross block to the tune of Rs. 195,717,157/- and net block of Rs. 101,967,850/-. However, the fixed assets records do not show updated value both in respect of the Gross Block and Net Block.**

Opinion:

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an Internal Financial Controls with reference to financial statements over financial reporting subject to qualified opinion above and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal financial control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on audit of Internal Financial Controls over financial reporting issued by the Institute of Chartered Accountants of India.

For M/s. Vandana Rao And Company
Chartered Accountants
FRN No. 011628S

(CA. VANDANA.P.RAO)
Proprietrix
Mem No. 218797

Place: Bangalore
Date: 26-06-2020

BALANCE SHEET AS AT 31ST MARCH 2020

Particulars	Note No.	As at March 31, 2020 ₹	As at March 31, 2019 ₹
I. ASSETS			
Non-current assets			
(a) Property, plant and equipment	2	101,967,850	85,863,650
(b) Financial assets			
(i) Investments	3	8,567	8,567
(ii) Other financial assets	4	812,662	812,662
(c) Deferred tax assets		-	-
(d) Other non-current assets	5	2,392,094	9,073,703
Total Non-current assets		105,181,173	95,758,582
Current assets			
(a) Inventories	6	56,671,651	43,205,211
(b) Financial assets			
(i) Trade receivables	7	17,972,694	20,579,041
(ii) Cash and cash equivalents	8	23,072,099	5,463,354
(iii) Other Bank balances	8	200,000	200,000
(iv) Other financial assets	9	5,191,983	1,927,421
(c) Other Current Assets	10	3,326,549	96,970
Total Current assets		106,434,976	71,471,997
TOTAL ASSETS		211,616,149	167,230,579
I. EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	11	12,462,162	9,961,130
(b) Other equity	12	140,790,297	56,573,739
TOTAL EQUITY		153,252,459	66,534,869
II. LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	10,447,057	10,112,434
(b) Deferred tax liabilities (net)	14	19,152,813	14,887,018
Total Non current liabilities		29,599,870	24,999,452
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	-	39,657,011
(ii) Trade payables			
(i) micro and small enterprises, and	16	356,390	800,968
(ii) other than micro and small enterprises	16	20,980,090	19,789,802
(iii) Other financial liabilities	17	5,127,377	13,212,574
(b) Other current liabilities	18	2,299,963	2,235,903
(c) Current Tax Liabilities (Net)	19	-	-
Total Current liabilities		28,763,820	75,696,258
TOTAL EQUITY AND LIABILITIES		211,616,149	167,230,579

As per our Report of even date

For Vandana Rao And Company

Chartered Accountants

FRN No. 011628S

CA. VANDANA. P. RAO

PROPRIETRIX

MEM No. 218797

PLACE : BANGALORE

DATE:26-06-2020

For and on behalf of the Board

ROY MAMMEN
MANAGING DIRECTOR**JACOB MAMMEN**
DIRECTOR**ASHOK KURIYAN**
DIRECTOR**MACHIMADA MUDDAPPA KUSHALAPPA**
CHIEF FINANCIAL OFFICER**SHARVARI SHAM KULKARNI**
COMPANY SECRETARY

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2020

Particulars	Note No.	Year Ended	
		March 31, 2020	March 31, 2019
		₹	₹
I Revenue from operations	20	312,701,913	299,893,564
II Other income	21	247,551	179,341
III Total revenue (I + II)		312,949,464	300,072,905
IV Expenses:			
Purchases of stock in trade	22	154,955,324	135,010,381
Changes in inventories of finished goods, Work in progress and Stock-in-Trade	23	(13,466,440)	(4,420,344)
		141,488,884	130,590,037
Employee benefits expense	24	60,412,244	47,042,313
Finance costs	25	4,129,401	6,139,248
Depreciation and amortization expense	26	3,669,063	3,423,859
Other expenses	27	116,664,371	106,919,020
		326,363,963	294,114,477
Less: expenses capitalised		-	-
Total expenses		326,363,963	294,114,477
V Profit before exceptional and extraordinary items and tax (III-IV)		(13,414,499)	5,958,428
VI Exceptional Items	21A	18,963,126	-
VII Profit before extraordinary items and tax (V-VI)		5,548,627	5,958,428
VIII Extraordinary items		-	-
IX Profit before tax (VII-VIII)		5,548,627	5,958,428
X Tax expense:			
Current tax		1,500,000	1,200,000
Deferred tax	40	1,821,076	-
XI Profit for the year from continuing operations (IX- X)		2,227,551	4,758,428
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit/(loss) from discontinuing operations (after tax) (XII-XIII)		-	-
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
a) Revaluation of property, plant and equipment		9,402,765	-
b) Less: Taxes on above	40	2,444,719	-
(ii) Items that may be reclassified to profit or loss			
a) Mark to Market of Investments		-	-
b) Taxes on above		-	-
XV Profit/Loss for the year (XI + XIV)		9,185,597	4,758,428
XVI Earning per equity share before exceptional item:	29	-2.15	0.96
Basic & diluted (in ₹)			
XVII Earning per equity share after exceptional item:	29	0.36	0.96
Basic & diluted (in ₹)			
Paid up value per share		2	2
Significant accounting policies and notes attached form an integral part of the financial statements			

As per our Report of even date
For Vandana Rao And Company
Chartered Accountants
FRN No. 011628S

For and on behalf of the Board

ROY MAMMEN
MANAGING DIRECTOR

JACOB MAMMEN
DIRECTOR

ASHOK KURIYAN
DIRECTOR

CA. VANDANA. P. RAO
PROPRIETRIX
MEM No.218797
PLACE : BANGALORE
DATE: 26-06-2020

MACHIMADA MUDDAPPA KUSHALAPPA
CHIEF FINANCIAL OFFICER

SHARVARI SHAM KULKARNI
COMPANY SECRETARY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

Particulars	Year Ended March 31, 2020 ₹	Year Ended March 31, 2019 ₹
Cash flows from operating activities		
Profit / (Loss) before taxation	5,548,627	5,958,428
Adjustments for:		
Depreciation and amortisation	3,669,063	3,423,859
Other Income	(247,551)	(179,341)
Finance costs	4,129,401	6,139,248
	<u>7,550,913</u>	<u>9,383,766</u>
	<u>13,099,540</u>	<u>15,342,194</u>
Increase/ decrease in trade receivables	2,606,347	7,519,876
Increase/ decrease in inventories	(13,466,440)	(4,420,344)
Increase/ decrease in other assets	187,468	-
Increase/ decrease in other liabilities	(8,021,137)	-
Increase/ decrease in trade payables	745,710	(2,605,379)
	<u>(17,948,052)</u>	<u>494,153</u>
	<u>(4,848,512)</u>	<u>15,836,347</u>
Income taxes paid	(1,500,000)	(1,200,000)
Net cash from operating activities	<u>(6,348,512)</u>	<u>14,636,347</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(10,500,511)	(3,209,448)
Proceeds from sale of property, plant and equipment	130,013	-
Other Income	247,551	179,341
Net cash from investing activities	<u>(10,122,947)</u>	<u>(3,030,107)</u>
Cash flows from financing activities		
Proceeds from issue of share capital	77,531,992	-
Proceeds from long term borrowings	334,624	(584,007)
Repayment of long term borrowings	(39,657,011)	(3,277,393)
Finance costs	(4,129,401)	(6,139,248)
Net cash from financing activities	<u>34,080,204</u>	<u>(10,000,648)</u>
Net increase/(decrease) in cash and cash equivalents	<u>17,608,745</u>	<u>1,605,592</u>
Cash and cash equivalents at beginning of the year	5,663,354	4,057,762
Cash and cash equivalents at end of the year	<u>23,272,099</u>	<u>5,663,354</u>

Cash & Cash equivalents:

The above Cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS-3), 'Cash Flow Statements'. Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the statement of cash flows comprise the following amounts in the balance sheet:

As per our Report of even date
For Vandana Rao And Company
Chartered Accountants
FRN No. 011628S

For and on behalf of the Board

ROY MAMMEN
MANAGING DIRECTOR

JACOB MAMMEN
DIRECTOR

ASHOK KURIYAN
DIRECTOR

CA. VANDANA. P. RAO
PROPRIETRIX
MEM NO.218797
PLACE : BANGALORE
DATE:26-06-2020

MACHIMADA MUDDAPPA KUSHALAPPA
CHIEF FINANCIAL OFFICER

SHARVARI SHAM KULKARNI
COMPANY SECRETARY

NOTES TO FINANCIAL STATEMENTS**1A. BACKGROUND:**

M.M. RUBBER COMPANY LIMITED ("the Company") was incorporated on 18-08-1964 under the provision of Indian Companies Act. The Registered Office is situated in Bangalore. The Equity shares of the Company are listed on Bombay stock Exchange Limited. The Company is engaged in the business of manufacturing of mattresses, cushions and pillows.

1B. SIGNIFICANT ACCOUNTING POLICIES:**a. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with Indian Accounting Standards ("Ind AS") specified under Section 133 of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention. All income and expenditure, having a material bearing on financial statements, are recognized on accrual basis.

b. USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires management of the Company to make estimates and assumptions that affect certain reported balances of assets and liabilities, disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Accordingly, future results could differ due to changes in these estimates and the difference between the actual result and the estimate are recognized in the period in which the results are known / materialize.

c. PROPERTY, PLANT AND EQUIPMENT:**(i) Tangible Assets:**

Property Plant and Equipment (PPE) and other tangible assets are stated at cost of acquisition inclusive of freight, duties, taxes and incidental expenses relating to the acquisition, installation, erection and commissioning less depreciation. Internally manufactured assets are valued at works cost. Subsequent expenditure related to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of item can be measured reliably. Other repairs and maintenance costs are recognized in the Statement of Profit & Loss while incurred. Spare parts whose life has more than 12 month has been considered as PPE and capitalized by the company.

Land and Building are recognised at fair value based on valuation by independent valuers obtained on a periodic basis less subsequent depreciation on buildings. Increase in carrying amounts on account of revaluation of land and building are recognised net of tax in other comprehensive income and accumulated in the retained earnings under other equity. To the extent the increase in value reverses the decrease accounted previously in other comprehensive income, the increase is first recognised in other comprehensive income. Decrease in value that reverses the previously accounted surplus are first recognised in other comprehensive income to the extent of the available surplus and thereafter charged to profit / loss. Each year the difference between the depreciation based on revalued carrying amount of the asset charged to statement of profit or loss and the depreciation based on the assets original cost net off tax, is reclassified from the revaluation reserve to retained earnings.

(ii) Intangible Assets:

Intangible assets are accounted at cost of acquisition less depreciation / amortization.

(iii) Depreciation & Amortization:

Depreciation on PPE bought/sold during the year is charged on written down value method as per the useful life in Schedule II of Act, depending upon the month of the financial year in which the assets are installed/sold. For the assets acquired prior to April 1, 2014 the carrying amount as on April 1, 2014 is depreciated on over the remaining useful life as defined in Schedule II of the Act.

d. INVESTMENTS:

(i) Investments unless otherwise stated are considered as long term in nature and are valued at acquisition cost less provision for diminution, if any other than those which are considered as temporary in nature.

e. INVENTORIES:

(i) Inventories does not include spare parts ,servicing equipment and stand by equipment which meet definition of PPE as per AS-10 (revised) .

(ii) Raw materials, stores, spare parts and components are valued at cost on weighted average basis or net realizable value whichever is lower.

(iii) Work in progress is valued at works cost or net realizable value whichever is lower.

(iv) Finished goods are valued at net billing price (please refer Note No.35 to the Ind AS Financial Statements).

(v) Material cost of work in progress and finished goods are computed on weighted average basis.

f. REVENUE RECOGNITION:**Revenue from contracts with customer**

Revenue from contract with customers is recognised when the Group satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations maybe satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognised as per the terms of relevant contractual agreements/ arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

A liability is recognised for expected sale returns and corresponding assets are recognised for the products expected to be returned.

The Company recognises as an asset, the incremental costs of obtaining a contract with a customer, if the Company expects to recover those costs. The said asset is amortised on a systematic basis consistent with the transfer of goods or services to the customer.

g. EMPLOYEE BENEFITS:**(i) Short term employee benefits:**

Employee benefits payable wholly within twelve months of rendering the service are classified as short term. Benefits such as salaries, bonus, leave travel allowance etc. are recognized in the period in which the employee renders the related service.

(ii) Post employment benefits:**a. Defined contribution plans:**

The Company has contributed to provident and pension which are defined contribution plans. The contributions paid/ payable under the scheme are recognized during the year in which employee renders the related service.

b. Compensated Absences:

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

c. Gratuity and leave encashment paid to employees on retirement is accounted on payment basis.

h. TAXES ON INCOME:

Provision for Income-tax of the company has been made at the higher of that on the assessable income or on basis of section 115 JB of the Income Tax Act, 1961 after taking cognizance of excess / short provision in prior years. Deferred tax is recognized subject to consideration of prudence, on timing differences being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit is recognized using current tax rates. Deferred tax assets liabilities are reviewed as at each Balance sheet date.

In terms of the Guidance note on accounting for credit available in respect of Minimum Alternative Tax(MAT) under the Income Tax Act 1961, issued by the ICAI, the excess of MAT over normal current tax payable has been recognized as an asset by way of credit to the profit & loss account as "MAT credit entitlement".

i. BORROWING COSTS:

Interest and other borrowing costs on specific borrowings relating to qualifying assets are capitalized up to the date such assets are ready for use / intended to use. Other interest and borrowing costs are charged to the statement of profit and loss.

j. IMPAIRMENT OF ASSETS:

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss, if any, is charged to statement of profit and loss, in the year in which an asset is identified as impaired. (Please refer Note No.38 to Ind AS Financial Statements).

k. PROVISIONS AND CONTINGENT LIABILITIES:

- i) A provision is recognized when the Company has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits, decommissioning and site restoration cost) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
- ii) Financial effect of contingent liabilities is disclosed based on information available upto the date on which financial statements are approved. However, where a reasonable estimate of financial effect cannot be made, suitable disclosures are made with regard to this fact and the existence and nature of the contingent liability.

l. EARNINGS PER SHARE:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity share holders by the weighted average number of equity shares during the period. For the purpose of calculating the diluted earnings per share, the net profit or loss for the period attributable to the equity share holders and weighted average number of shares outstanding during the period are adjusted for the effects of all potential dilutive equity shares.

m. FINANCIAL INSTRUMENTS:

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

(i) Cash and Cash Equivalents:

Cash and Cash Equivalents comprise cash and deposit with banks other than for term deposit earmarked for Bank Guarantee. The company considers all highly liquid investments including demand deposits with bank with an original maturity of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

(ii) Financial assets at amortized cost:

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial liabilities:

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

n. IMPAIRMENT:

(i) Financial Assets:

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Non Financial Assets:

A non financial asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss, if any, is charged to statement of profit and loss, in the year in which an asset is identified as impaired (Please refer note No.38 to Ind AS Financial statements).

1C. Changes in Accounting Standard and recent accounting pronouncements:

Recent Accounting Developments Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

NOTES TO FINANCIAL STATEMENTS**2. Property Plant and Equipment:****Tangible assets**

Particulars	Land	Building	Moulds	Plant & Machinery	Office equipments	Furniture and fittings	Motor vehicles	Total
	₹	₹	₹	₹	₹	₹	₹	₹
Gross Block								
Balance as at 31 March, 2018	41,000,000	31,853,958	9,351,215	71,954,625	6,544,097	4,666,716	8,211,937	173,582,548
Additions	-	760,000	-	1,684,548	342,770	422,130	-	3,209,448
Less: Revaluation deficit	-	-	-	-	-	-	-	-
Balance as at 31 March, 2019	41,000,000	32,613,958	9,351,215	73,639,173	6,886,867	5,088,846	8,211,937	176,791,996
Additions	-	900,539	-	3,991,670	1,932,116	3,676,186	-	10,500,511
Less: Revaluation deficit/surplus	3,975,700	5,427,065	-	-	-	-	-	9,402,765
Less: Sale of assets	-	-	-	-	-	-	978,115	978,115
Balance as at 31 March, 2020	44,975,700	38,941,562	9,351,215	77,630,843	8,818,983	8,765,032	7,233,822	195,717,157
Accumulated depreciation								
Balance as at 31 March, 2018	-	7,195,720	8,462,272	60,404,380	5,987,988	3,386,004	2,068,123	87,504,487
Depreciation charge for the year	-	861,406	101,008	924,622	344,337	282,579	909,907	3,423,859
Disposals	-	-	-	-	-	-	-	-
Balance as at 31 March, 2019	-	8,057,126	8,563,280	61,329,002	6,332,325	3,668,583	2,978,030	90,928,346
Depreciation charge for the year	-	701,478	97,987	1,093,917	379,743	393,252	1,002,686	3,669,063
Disposals	-	-	-	-	-	-	848,102	848,102
Balance as at 31 March, 2020	-	8,758,604	8,661,267	62,422,919	6,712,068	4,061,835	3,132,614	93,749,307
Net block								
Balance as at 31 March, 2019	41,000,000	24,556,832	787,935	12,310,171	554,542	1,420,263	5,233,907	85,863,650
Balance as at 31 March, 2020	44,975,700	30,182,958	689,948	15,207,924	2,106,915	4,703,197	4,101,208	101,967,850

Note: During the year the land and building has been revalued.

Additional information:

- Management has determined that there are no significant parts of assets whose useful life is different from that of the principal asset to which it relates to in terms of Note 4 Schedule II to the Companies Act, 2013. Accordingly, useful life of assets have been determined for the overall asset and not for its individual components.

3 Non Current Investments:

Details of Investments	Name of the Company	As at March 31, 2020			As at March 31, 2019		
		No of shares	Face value	Amount ₹	No of shares	Face value	Amount ₹
a) Investments in Equity Instruments:							
i) In government securities: (Other than Trade, Unquoted)							
Fully paid up							
National Savings Certificate							
Total							
Less:							
Provision for diminution in value of investments							
Total							

NOTES TO FINANCIAL STATEMENTS

Particulars	As at March 31, 2020 ₹	As at March 31, 2019 ₹
4. Other Financial Assets: (Unsecured and considered good)		
i) Security deposits	812,662	812,662
	812,662	812,662
5. Other Non Current Assets: (unsecured and considered good)		
i) Balances with revenue authorities	2,392,094	9,073,703
	2,392,094	9,073,703
Less: Allowance for bad and doubtful receivables	-	-
	2,392,094	9,073,703
6. Inventories:		
i) Raw Materials	2,659,971	1,834,524
ii) Finished Goods	54,011,680	41,370,687
	56,671,651	43,205,211
7. Trade Receivables:		
i) Trade receivables exceeding six months	2,797,948	2,657,429
ii) others	15,174,746	17,921,612
	17,972,694	20,579,041
Less: Allowance for doubtful receivables exceeding six months	-	-
	17,972,694	20,579,041
Additional Information:		
1) Breakup of above:		
i) Secured, considered good	-	-
ii) Unsecured, considered good	17,972,694	20,579,041
iii) Doubtful	-	-
Total	17,972,694	20,579,041
Less: Allowance for doubtful receivables exceeding six months	-	-
2) a) Debts due by directors or other officers of the company	-	-
b) Amounts due by private companies in which directors of the Company are directors	-	-
	17,972,694	20,579,041
8. Cash and Cash Equivalents:		
a) Cash and cash equivalents:		
i) Balances with banks		
- in other accounts	22,786,438	5,292,066
ii) Cash on hand	285,661	171,288
	23,072,099	5,463,354
b) Other bank balances:		
i) Balances with banks		
- in margin money, security for borrowings, guarantees and other commitments	200,000	200,000
	200,000	200,000
Total (a + b)	23,272,099	5,663,354
9. Other Financial Assets:		
i) Security deposits	2,532,525	1,903,321
ii) Prepaid expenses	26,600	24,100
iii) Others	12,707	-
iv) Advances Given to Vendors	2,620,151	-
	5,191,983	1,927,421
Less: Allowance for doubtful advances	-	-
	5,191,983	1,927,421
Additional Information:		
1) Breakup of above:		
i) Secured, considered good	-	-
ii) Unsecured, considered good	5,191,983	1,927,421
iii) Doubtful	-	-
Total	5,191,983	1,927,421
Less: Allowance for doubtful advances	-	-
	5,191,983	1,927,421

NOTES TO FINANCIAL STATEMENTS

Particulars	As at	
	March 31, 2020	March 31, 2019
	₹	₹
2) a) Debts due by directors or other officers of the company	-	-
b) Amounts due by private companies in which directors of the Company are directors	-	-
	5,191,983	1,927,421
10. Other Current Assets:		
i) GST Input Tax Credit	3,255,949	-
ii) Loans and Advances- others	70,600	96,970
	3,326,549	96,970

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	₹	Number	₹
11. Share Capital:				
Authorized: (*)				
Equity shares of ₹ 2/- each	35,000,000	70,000,000	35,000,000	70,000,000
	35,000,000	70,000,000	35,000,000	70,000,000
Issued:				
Equity shares of ₹ 2/- each	6,235,831	12,471,662	4,985,315	9,970,630
	6,235,831	12,471,662	4,985,315	9,970,630
Issued, Subscribed and Fully Paid up:				
Equity shares of ₹ 2/- each				
At the beginning of the year	4,980,565	9,961,130	4,980,565	9,961,130
Issued during the year	1,250,516	2,501,032	-	-
At the close of the year	6,231,081	12,462,162	4,980,565	9,961,130
Total carried to Balance Sheet		12,462,162		9,961,130

Additional Information:**a) Terms and rights:**

The Company has only two classes of shares i.e. Preference Shares and Equity Shares. No preference shares are issued till the date of balance sheet. The equity shares having a face value of Rs 2/- per share. Each shareholder of equity shares is entitled to one vote per share. The dividend proposed by the Board of the Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

b) Aggregate number of shares issued for consideration other than cash:

40000 Shares of Rs.2/- each issued pursuant to a contract without payment being received in cash	40,000	80,000	40,000	80,000
98883 shares of Rs 2/-each allotted as fully paid up by way of bonus shares by capitalisation reserves	98,883	197,766	98,883	197,766

c) Particulars of equity share holders holding more than 5% of the total number of equity share capital:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	%	Number	%
(i) Naveen Bothra	400,000	6.42%	400,000	8.03%

NOTES TO FINANCIAL STATEMENTS**Statement of Changes in Equity****12. Other Equity**

Particulars	Attributable to owners of the Company			
	Other Equity			Total Other equity
	Share premium	Revaluation reserve	Retained earnings	
	₹	₹	₹	₹
Total Other Equity as at March 31, 2018	3,750	47,548,141	4,263,420	51,815,311
Add/(Less): Profit for the period	-	-	4,758,428	4,758,428
Less: INDAS adjustment for Revaluation of land building	-	-	-	-
Less: Tax Adjustment on Ind AS items	-	-	-	-
Total Other Equity as at March 31, 2019	3,750	47,548,141	9,021,848	56,573,739
Add/(Less): Profit for the period	-	-	2,227,552	2,227,552
Add/(Less): Share Premium during the year due to the issuance of shares	75,030,960	-	-	75,030,960
Less: INDAS adjustment for Revaluation of land and building	-	9,402,765	-	9,402,765
Less: Tax Adjustment on Ind AS items	-	(2,444,719)	-	(2,444,719)
Total Other Equity as at March 31, 2020	75,034,710	54,506,187	11,249,400	140,790,297

Particulars	As at March 31, 2020 ₹	As at March 31, 2019 ₹
Non- Current Liabilities		
13. Borrowings:		
Secured loans:		
a. Loan from Banks	10,447,057	13,194,688
Less: Current maturities on loan from banks	-	3,082,254
	10,447,057	10,112,434
Total Borrowings	10,447,057	10,112,434

Additional information:**1) Details of security for secured loans:**

Vehicle Loan from bank is secured against the hypothecation of motor car borrowed at interest rate of 8% p.a. repayable in 84 equated monthly installments

Term loan availed from South Indian Bank is primarily secured against hypothecation/mortgage of assets purchased for utilising the loan and a collateral charge vide equitable mortgage of 2.95 acres of land with factory building at Ranipet, Tamilnadu at an interest rate of 9.90% per annum repayable in 74 equated monthly installments.

Note: There are no defaults in repayment of principal or interest thereon

14 Deferred Tax Liabilities (Net):

i) Deferred tax liability:		
a) On account of depreciation on fixed assets (other than land)	7,459,131	5,940,853
b) On account of revaluation of land	11,693,682	10,548,906
Total	19,152,813	16,489,759
ii) Deferred tax asset:		
a) On account of timing differences in recognition of expenditure	-	-
b) On account of Unabsorbed depreciation and brought forward losses under the Income Tax Act, 1961 (restricted to Deferred tax liability)	-	1,602,741
Total	-	1,602,741
Net Deferred Tax (Liability)/Asset	19,152,813	14,887,018

NOTES TO FINANCIAL STATEMENTS

Particulars	As at March 31, 2020 ₹	As at March 31, 2019 ₹
Current Liabilities		
15. Borrowings:		
Secured loans:		
a) Loans repayable on demand		
- from banks	-	37,657,011
Unsecured Loans:		
- from Others	-	2,000,000
Total	-	39,657,011

1) Details of security for secured loans:

a) Working capital facility availed from South Indian Bank is primarily secured against hypothecation of inventory and book debts of the Company and collaterally secured by equitable mortgage of 2.95 acres of land with factory building at Ranipet, Tamilnadu at an interest rate of 9.90% per annum.	-	37,657,011
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2) Terms and conditions for unsecured loans from others:

a) Represents loan availed from a corporate carrying an interest rate of 9% p.a. repayable on demand	-	2,000,000
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Note: There are no defaults in repayment of principal or interest thereon

Current Liabilities**16. Trade Payables:**

a) Total outstanding dues of micro and small enterprises		
Trade payables	356,390	800,968
	356,390	800,968
b) Total outstanding dues of creditors other than micro and small enterprises		
Trade payables	20,980,090	19,789,802
	21,336,480	20,590,770

Additional Information:

The details of amounts outstanding to Micro, Small and Medium Enterprises under Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

Sl. No.	Particulars	As at March 31, 2020	As at March 31, 2019
1	Principal amount due and remaining unpaid	-	-
2	Interest due on (1) above and the unpaid interest	-	-
3	Interest paid on all delayed payments under the MSMED Act	-	-
4	Payment made beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay other than (3) above	-	-
6	Interest accrued and remaining unpaid	-	-
7	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

17. Other Financial Liabilities:

a) Current maturities of secured loan from banks	-	3,082,254
b) Deposits from dealers	2,875,953	2,328,900
c) Others	2,251,424	7,801,420
	5,127,377	13,212,574

18. Other Current Liabilities:

a) Statutory Dues		
- Tax Deducted at Source	572,919	573,280
- Goods and Service Tax	-	826,258
- Others	2,047	1,990
b) Others	1,366,024	834,375
c) Advance from Customers	358,973	-
	2,299,963	2,235,903

NOTES TO FINANCIAL STATEMENTS

Particulars	As at March 31, 2020 ₹	As at March 31, 2019 ₹
19. Current Tax Liabilities (Net):		
a) Provision for tax (net of advance tax)	-	-
20. Revenue from Operations:		
i) Sale of Products		
Domestic Sales	333,990,005	318,654,709
Less: Sales discount	21,288,092	18,761,145
	312,701,913	299,893,564
21. Other Income:		
i) Others	157,564	179,341
ii) Profit on sale of fixed assets	89,987	-
	247,551	179,341
21A. Exceptional Items:		
i) Refund of Excise duty (in respect of year 1986)	18,963,126	-
	18,963,126	-
22. Cost of Purchase:		
i) Consumption of Stores, Components & Spare Parts	145,378,512	130,171,161
ii) Purchase of stock in trade	9,576,812	4,839,220
	154,955,324	135,010,381
23. Changes in Inventories of Stock in Trade:		
Stocks at the end of the year		
i) Finished goods	54,011,680	41,370,687
ii) Raw Materials	2,659,971	1,834,524
	56,671,651	43,205,211
Less: Stocks at the beginning of the year		
i) Finished goods	41,370,687	37,626,467
ii) Raw Materials	1,834,524	1,158,400
	43,205,211	38,784,867
	(13,466,440)	(4,420,344)
24. Employee Benefit Expenses:		
i) Salaries , wages and bonus	51,025,966	40,475,240
ii) Contribution to provident and other funds	2,956,040	2,782,936
iii) Gratuity	4,506,510	1,804,027
iv) Staff welfare expenses	1,923,728	1,980,110
	60,412,244	47,042,313
25. Finance Costs:		
i) Interest expense	4,129,401	6,139,248
	4,129,401	6,139,248
26. Depreciation and Amortization:		
i) Depreciation	3,669,063	3,423,859
	3,669,063	3,423,859
27. Other Expenses:		
i) Repairs & Maintenance		
- Buildings	3,275,473	1,641,009
- Machinery	2,906,738	2,905,236
- others	312,628	420,767
ii) Advertisement expenses	16,147,918	17,072,783
iii) Bank Charges	347,968	431,532
iv) Coolie and cartage	2,053,680	1,409,089
v) Sitting Fee	36,000	33,000
vi) Conference and Seminar Expense	41,445	13,070
vii) Insurance	578,160	476,501
viii) Rates and Taxes	1,296,690	650,291
ix) Travelling and Conveyance	7,003,553	6,518,455
x) Freight expenses	19,431,710	17,072,376
xi) Rent	12,192,937	10,456,678
xii) Professional Charges	9,575,152	8,104,471
xiii) Sales Promotion Expenses	8,391,389	6,604,443
xiv) Fabrication Charges	2,440,372	3,319,372

NOTES TO FINANCIAL STATEMENTS

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	₹	₹
xv) Turnover Discount	10,307,869	14,358,501
xvi) Vehicle Maintenance	1,024,711	972,582
xvii) Audit fee	361,467	238,621
xviii) Consumption of spares	722,320	779,272
xix) Watch & Ward Expenses	1,519,216	1,539,821
xx) Power and Fuel	3,613,149	2,690,099
xxi) Stitching Charges	1,442,633	1,035,949
xxii) Telephone Expenses	560,013	733,820
xxiii) Commission on sales	3,427,397	133,945
xxiv) Postage Expenses	972,396	1,215,595
xxv) Printing & Stationery	1,342,580	1,148,056
xxvi) Prompt Payment Discount	4,311,298	4,196,832
xxvii) Manufacturing Expenses	620,374	403,330
xxviii) Other Expenses	407,135	343,526
	116,664,371	106,919,020

28. Additional Information:

a) Value of Imports calculated on CIF basis:		
i) Purchases of Stock in Trade	8,471,821	12,431,198
ii) Capital goods	-	-
b) Expenditure in foreign currency: (net of withholding tax)		
i) Other matters	290,130	306,179
c) Details of non-resident shareholdings		
i) Number of nonresident share holders	65	64
ii) Number of shares held by nonresident shareholders	99,855	126,523
iii) Amount remitted during the year in foreign currency on account of dividends	-	-
d) Earnings in foreign exchange:		
i) Sale of products	-	-

29. Earnings Per Share:

(Basic and diluted)

Basic and Diluted Earnings per share [EPS] computed in accordance with Ind AS 33 "Earnings per Share":

(a) Before and after exceptional item

Profit for the year after tax expense	2,227,551	4,758,428
Weighted average number of equity shares	6,231,081	4,980,565
Paid up value per share	2.00	2.00
Earnings per share (basic & diluted)	0.36	0.96

30. Contingent Liabilities and Commitments:

(to the extent not provided for)

a) Contingent liabilities:

i)	Claims against the Company not acknowledged as debts	-	-
ii)	Bank Guarantees	-	-
iii)	Unexpired Letters of credit	-	-
iv)	Central Excise tax under dispute	-	96,30,000*

*The Company's appeal against the above demand has been allowed by the appellate authorities with consequential benefits and there is no Excise dues.

b) Commitments:

i)	Other commitments*	25,000,000	25,000,000
ii)	Warranty on Sale of Products - Amount not ascertainable	-	-

*The Company is in process of closing its operation in Chennai factory and shifting of Machinery to the Company owned plant at Ranipet to reduce the burden of overheads.

31. Segment Reporting:

The Company is engaged in only manufacturing of mattresses, pillows and cushions which is considered as a single reportable business segment and accordingly, primary reporting disclosures for business segments, as envisaged in Indian Accounting Standard (IND AS) 108 on Operating Segment is not applicable.

NOTES TO FINANCIAL STATEMENTS**32. Related Party Transactions:****(a) Name of related parties and description of relationship where controls exists:**

S1. No.	Name of the Related Party	Relationship
1	Nil	Wholly Owned Subsidiary
2	Nil	Step down subsidiary
3	Nil	Associates
4	Roy Mammen - Managing Director Jacob Mammen - Director Mammen Philip - Director Sharvari Sham Kulkarni - Company Secretary Machimada Muddappa Kushalappa - CFO	Key Management Personnel and their relatives ("KMP")
5	Balanoor Plantations & Industries Limited	Enterprises over which key management personnel and their relatives are able to exercise significant influence

(b) Transactions with the related parties

Particulars	Relationship	Year Ended March 31, 2020 ₹	Year Ended March 31, 2019 ₹
Purchase of goods and services:			
Nil	-	-	-
Software Sales & Service Exports			
Nil	-	-	-
Rental Income			
Nil	-	-	-
Remuneration paid*:			
Roy Mammen	Managing Director	5,848,081	5,673,621
Mammen Philip	Director Corporate Affairs	189,750	207,000
Sharvari Sham Kulkarni	Company Secretary	326,050	113,732
Machimada Muddappa Kushalappa	Chief Financial Officer	816,540	124,280

* The remuneration paid to the Managing Director includes Company leased accommodation, gas, electricity, subscription, etc.

The Company Secretary has been appointed with effect from 27th September, 2018.

The Manger Finance has been promoted as Chief Financial Officer with effect from 4th February, 2019.

(c) Outstanding balances at the end of the year:

Particulars	Relationship	Year Ended March 31, 2020 ₹	Year Ended March 31, 2019 ₹
Nil	Wholly Owned Subsidiary		
Nil	Step down subsidiary		
Nil	Associates		
Roy Mammen Jacob Mammen Sharvari Sham Kulkarni Machimada Muddappa Kushalappa	Key Management Personnel and their relatives ("KMP")	- - - -	- 5,000,000 - -
Balanoor Plantations & Industries Limited	Enterprises over which key management personnel and their relatives are able to exercise significant influence	250,000	250,000

33. Operating Lease (Ind As 17):

The Company has various operating leases for office facilities which is renewable on a periodic basis, and cancelable at its option. Rental expenses for operating leases included in the financial statements for the year are ₹ 1,21,92,937/- (Previous Year ₹ 1,04,56,678/-).

NOTES TO FINANCIAL STATEMENTS**34. Financial Risk Management Objectives and Policies:**

The entity's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the entity's operations to support its operations. The entity's principal financial assets include trade and other receivables, rental and bank deposits and cash and cash equivalents that are derived directly from its operations.

The entity is exposed to market risk/credit and liquidity risks. The entity's senior management oversee the management of these risks. The board reviews their activities. No significant derivative activities have been undertaken so far.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits, FVTOCI investments and derivative financial instruments.

The sensitivity analyses in the following sections relate to the positions as at March 31, 2020 and March 31, 2019:

The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities of foreign operations.

The following assumption has been made in calculating sensitivity analyses.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2020 and March 31, 2019 including the effect of hedge accounting.

Interest rate risk

Changes in market conditions that give rise to market risk include changes in a benchmark interest rate, the price of another entity's financial instrument, a commodity price, a foreign exchange rate or an index of prices or rates.

35. Fair Value Measurement (Ind AS 113):

The Financial Instruments of the Company are initially recorded at fair value and subsequently measured at amortized cost based on the nature and timing of the cash flows.

The below table summarises particulars of Financial Instruments used:

Particulars	As at March 31, 2020 ₹	As at March 31, 2019 ₹
Financial Assets at amortized cost:		
Investments	8,567	8,567
Trade Receivables	17,972,694	20,579,041
Other Financial Assets	6,004,645	2,740,083
Cash & cash equivalents	23,072,099	5,463,354
Other Bank Balances	200,000	200,000
Total Financial Assets	47,258,005	28,991,045
Financial Liabilities at amortized cost:		
Borrowings	10,447,057	49,769,445
Other Financial Liabilities	5,127,377	13,212,574
Trade Payables	21,336,480	20,590,770
Total Financial Liabilities	36,910,914	83,572,789

The Company has not classified any Financial Asset or Liabilities as measured at Fair value through Profit and Loss (FVTPL) or measured at Fair Value through Other Comprehensive Income (FVTOCI).

The Fair Value of the above financial assets and liabilities are measured at amortized cost which is considered to be approximate to their fair values.

- 36.** Closing stock of inventory pertaining to finished products comprising of different individual products is valued on the basis of 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 product.
- 37.** 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.
- 38.** Company is in the process of ascertaining of the impairment, if any on any of the fixed assets and subject to such ascertainment, no recognition during the year is made in the accounts for impairment of fixed assets.

NOTES TO FINANCIAL STATEMENTS**39. Estimation of uncertainties relating to the global health pandemic from COVID-19**

The COVID-19 pandemic is an evolving human tragedy declared a global pandemic by the World Health Organization with adverse impact on economy and business. Supply Chain disruptions in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several states followed by a nationwide lockdown from the 25th of March 2020 announced by the Indian Government, to stem the spread of COVID-19. Due to this the operations in many of M. M. RUBBER Co Ltd,'s manufacturing, distribution centers, warehouse/Godown and extended supply chain partner locations got temporarily disrupted. Company manufactures and supplies Foam Rubber mattresses products and other accessories etc., In light of these circumstances, the Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financials assets, inventory, receivables, advances, property plant and equipment, Intangibles etc , as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information such as our current contract terms, financial strength of partners, investment profile, future volume estimates from the business etc. Having reviewed the underlying data and based on current estimates the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

Due to the lockdown and disturbance in supply chain certain mattresses and accessories which were dispatched before 31.3.2020 could not reach the branches of the Company, since the same was in transit. However eventually when the goods reached the respective branches in the month of May 2020, material discrepancies were not observed .

40. Deferred Tax Asset

The breakup of Deferred tax asset is as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
	₹	₹
Deferred Tax Asset - (A)		
Provision for Employee Benefits		
Warranty Provisions		
Loss allowance on Financial and Contract Assets		
On account of Unabsorbed depreciation and brought forward losses under the Income Tax Act, 1961 (restricted to Deferred tax liability)	-	1,602,741
Deferred Tax Liability - (B)		
Written Down Value of Fixed Assets	7,459,131	5,940,853
Others (Revaluation of Land)	11,693,682	10,548,906
Net Deferred Tax Asset - (A)-(B)	(19,152,813)	(14,887,018)

Movement in Deferred Tax

Particulars	Charge/ (Credit) to Statement of P&L		Charge/ (Credit) to OCI	
	For the year ended March 31,2020	For the year ended March 31,2019	For the year ended March 31,2020	For the year ended March 31,2019
	₹	₹	₹	₹
Deferred Tax Asset-				
Provision for Employee Benefits				
Warranty Provisions				
Loss allowance on Financial and Contract Assets				
Others				
On account of Unabsorbed depreciation and brought forward losses under the Income Tax Act, 1961 (restricted to Deferred tax liability)	(1,602,741)	-	-	-
Deferred Tax Liability -				
Written Down Value of Fixed Assets	218,335	-	1,033,682	-
Others (Revaluation of Land)	-	-	1,411,037	-
Total	(1,821,076)	-	(2,444,719)	-

41. Previous year's figures have been suitably reclassified, wherever required.

As per our Report of even date

For and on behalf of the Board

For Vandana Rao And Company

Chartered Accountants

FRN No. 011628S

ROY MAMMEN
MANAGING DIRECTOR

JACOB MAMMEN
DIRECTOR

ASHOK KURIYAN
DIRECTOR

CA. VANDANA P RAO
PROPRIETRIX

MEM NO.218797

PLACE : BANGALORE

DATE:26-06-2020

MACHIMADA MUDDAPPA KUSHALAPPA
CHIEF FINANCIAL OFFICER

SHARVARI SHAM KULKARNI
COMPANY SECRETARY

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54th Annual Report 2019-20

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