

M. M. RUBBER COMPANY LIMITED

CIN: L25190KA1964PLC052092

Regd. Office: "Empire Infantry", 3rd Floor, No. 29, Infantry Road, Bangalore-560 001

Website Address: www.mmfoam.in E-mail: mmfoam27@gmail.com

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

The Directors have pleasure in presenting before you the 52nd Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March 2018.

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:

These are the Company's first financial statements prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. The adoption of Ind AS was carried out in accordance with Ind AS 101 - 'First-time Adoption of Indian Accounting Standards' using transition date as April 1, 2016.

Ind AS 101 requires that all Ind AS be consistently and retrospectively applied for fiscal years presented. The Company has prepared Opening Balance Sheet on the transition date and subsequent financials based on the accounting policies set out in Note-1B.

In preparing these financials, the Company has availed following exemptions in the transition from previous GAAP to Ind AS in accordance with Ind AS 101.

Particulars	Financial year ended March 31, 2018 ₹ in Lakhs	Financial year ended March 31, 2017 ₹ in Lakhs
Revenue from Operations	2591.90	2102.62
Other Income	4.68	17.22
Profit before Exceptional Items and Tax	44.60	37.61
Exceptional Items (Expenses)/Income	-	-
Profit before tax	44.60	37.61
Less: Taxation		
Current tax	3.00	-
Deferred Tax(credit)/Debit	11.48	6.72
Profit for the year	30.11	30.89
Total other comprehensive income (net of tax)	-148.50	-18.56
Total Comprehensive income for the year	-118.39	12.33

OPERATIONS & PERFORMANCE:

Your directors are happy to inform that the company has maintained and in fact increased its turnover by 22.35% as compared to previous year. However, the Company's profitability remains the same despite higher turnover compare to the previous year is mainly due to the active participation in the digital marketing which is encouraging, and the Company has spent a substantial amount on this which will benefit the Company in the long run.

PROSPECTS:

The work at company's own premises at Ranipet is completed and the Company has carried out trial production of latex Rubber sheet and is ready to start its full production. The company has also installed improved production process thereby production efficiency is expected to improve. Your directors are confident that with this move, company's turnover and the profitability would improve in the coming year.

DIVIDEND:

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

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:

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

LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the year 2018-19 to BSE Limited where the Company's Shares are listed.

DEMATERIALISATION OF SHARES:

Your company's 43% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March 2018 and balance 57% 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, 2018, your Board comprises of 6 Directors including 2 Independent Directors. Mr. Mammen Philip (DIN 01091481) Director of the company retires by rotation and is eligible for reappointment.

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 30.05.2017. In terms of Section 178 of the Act, 2013. The objective of such policy shall be to attract, retain and motivate executive management and remuneration structured to link to Company's Strategic long-term goals, appropriateness, relevance and risk appetite of the company.

The Process of appointing a director/Key Managerial Personal is that when there is a need or a vacancy arises, or is expected, the NRC will identify, ascertain the integrity, qualification, appropriate expertise and experience, having regard to the skills that the candidate will bring to the board in addition to what the existing members hold.

NUMBER OF BOARD MEETINGS HELD:

The Board of Directors duly met four times during the financial year from 1st April, 2017 to 31st March 2018. 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
30.05.2017	6	5
31.07.2017	6	4
30.10.2017	6	4
30.01.2018	6	6

NUMBER OF AUDIT COMMITTEE MEETING HELD:

The Committee consisting of three Directors namely Mr. Ashok Kuriyan, Independent Director, Mr. Jacob Mammen, Director and Mrs. Susan Kurian, Independent Director:

Date of Committee Meeting	No. of Member as on date	No. of Members Present
30.05.2017	3	3
31.07.2017	3	2
30.10.2017	3	3
30.01.2018	3	3

DIRECTORS RESPONSIBILITY STATEMENT:

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

a) In the preparation of the annual accounts for the year ended 31st March 2018, the applicable accounting standards

have been followed and there are no material departures;

- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the same period;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) They have laid down internal financial controls that are adequate and were operating effectively.
- f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

Based on the Internal Financial Controls and Compliance Systems established and maintained by the company, work performed by the internal, statutory and secretarial auditors and reviews performed by the management, the Board is of the opinion that the company's internal financial controls were adequate and effective during the financial year 2017-18.

REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES:

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, in respect of employees of the Company and Directors is furnished hereunder:

Sl. No.	Name	Designation	Remuneration paid FY 2017-18 in lakhs	Remuneration paid FY 2016-17 in lakhs	Increase in remuneration from previous year in lakhs	Ratio/Times per Median of employee remuneration
1.	Mr. Roy Mammen	Managing Director	24.93	17.82	7.11	12.70
2.	Mr. Mammen Philip	Director corporate affairs	2.07	2.07	-	1.06

AUDIT OBSERVATIONS:

i) Statutory Auditors :

The Auditors, Messrs. Vandana 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 . As per section 139 of the Companies Act, 2013, the appointment needs to be ratified at every annual general meeting by the members. Directors recommended for ratification of the appointment of auditors made on 27.09.2017.

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 2017-18 till the date of this report. Further there was no change in the nature of the business of the company.

ii) Cost Auditors :

Since the Company's turnover has not exceeded Rs.35 crores in the previous financial years, the cost audit is not applicable.

iii) Secretarial Audit :

M/s. M. Damodaran & Associates, Chennai was appointed as Secretarial Auditors for carrying out the secretarial audit for the financial year 2017-18.

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 Internal Auditors of the Company for the FY 2017-18.

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 into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the company on materiality of related party transactions. Refer Note No.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 PU mattress Amaze and Ortho Bond mattress, contour pillow, hemorrhoid cushions, neck care and coccyx cushions.
2. Technology Absorption, Adaptation and Innovation
The latest technology is being adopted in the factory for improving productivity and product quality and reducing consumption of raw materials and fuel. In this connection, pre-vulcanized latex is being adopted.
3. Foreign Exchange Earning and Outgo
Statutory particulars with regards to foreign exchange and outgo appear in the notes pertaining to the accounts.

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 behaviors, actual or suspected fraud and any violation of the Company's Code of Conduct or ethics policy.

The policy also provides a direct access to the Chairperson of the Audit Committee to make protective disclosures to the Management about grievances or violation of the Company's code of conduct.

The policy disclosed on the Company's website in the following link www.mmfoam.in

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. 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:

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

PLACE: BANGALORE
DATE: 30.5.2018

ASHOK KURIYAN
Director
(DIN: 00081374)

ROY MAMMEN
Managing Director
(DIN: 00077409)

ANNEXURE – A

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2018

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

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. M M RUBBER COMPANY LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the M/s. M M RUBBER COMPANY LIMITED's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2018 complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M M RUBBER COMPANY LIMITED ("the Company") for the financial year ended on 31.03.2018 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 Bye-laws 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.

NIL

I have also examined compliance with the applicable Regulations/Standards of the following:

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

- (a) The Company has not appointed Whole-time Company Secretary as per section 203 (1) of the Companies act,

2013 read with Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. However, the Company has taken steps for identifying to appoint suitable person to the post of Company Secretary.

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

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

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

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

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

Name of Company Secretary in practice: M. Damodaran

Place: Chennai

FCS No.: 5837

Date : 30.05.2018

C P No.: 5081

ANNEXURE - B

**EXTRACT OF ANNUAL RETURN
FORM MGT 9**

(Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company
(Management & Administration) Rules, 2014)

FINANCIAL YEAR ENDED ON 31.03.2018

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 – 560 001, 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):

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1) Indian									
a) Individual/HUF	-	180158	180158	3.6172	-	180158	180158	3.6172	0.0000
b) Central Govt.or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Directors and their relatives	-	74259	74259	1.4909	-	-	-	-	-1.4909
SUB TOTAL:(A) (1)	-	254417	254417	5.1081	-	180158	180158	3.6172	-1.4909
(2) Foreign									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	-	254417	254417	5.1081	-	180158	180158	3.6172	-1.4909
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	700	700	0.0140	-	700	700	0.0140	-
c) Central govt	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1)	-	700	700	0.0140	-	700	700	0.0140	-
(2) Non Institutions									
a) Bodies corporates	110377	402363	512740	10.2948	94930	402363	497293	9.9846	-0.3101
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakhs	1506766	2076505	3583271	71.9450	1487213	2000028	348724	70.0169	-1.9280
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	346600	106855	453455	9.1044	434850	181114	615964	12.3673	3.2628
c) Any Other (specify)									
i) Hindu undivided families	62029	-	62029	1.2454	60399	200	60599	1.2167	-0.0287
ii) Clearing members	500	-	500	0.0100	3000	-	3000	0.0602	0.0501
iii) NRIs	29007	84055	113062	2.2700	51164	84055	135219	2.7149	0.4448
d) Foreign Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Trusts	191	200	391	0.0078	191	200	391	0.0078	-
SUB TOTAL (B)(2)	2055470	2669978	4725448	94.8777	2131747	2667960	4799707	96.3687	1.4909
Total Public Shareholding (B)= (B)(1)+(B)(2)	2055470	2670678	4726148	94.8918	2131747	2668660	4800407	96.3827	1.4909
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2055470	2925095	4980565	100.0000	2131747	2848818	4980565	100.0000	-

(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	69,080	1.40	-	69,080	1.40	-	-
2	Mrs. Divya Philip	3,510	0.07	-	3,510	0.07	-	-
3	Mr.Mammen Philip	383	0.01	-	383	0.01	-	-
4	Mrs. Meera Philip	40,295	0.81	-	40,295	0.81	-	-
5	Mr.Peter Philip	3,700	0.07	-	3,700	0.07	-	-
6	Mr.Rohit Philip	11,390	0.23	-	11,390	0.23	-	-
7	Mr.Mammen Philip	25,900	0.52	-	25,900	0.52	-	-
8	Mr.Peter Philip & Meera Philip	25,900	0.52	-	25,900	0.52	-	-

(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	180,158	3.617	180,158	3.617
2	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	NIL			
3	At the end of the year	180,158	3.617	180,158	3.617

(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	244000	4.8990	384650	7.7230
2	M/S.M M HOUSING PRIVATE LTD	86354	1.7338	86354	1.7338
3	M/S. DEVON PLANTATIONS & INDUSTRIES LIMITED	82814	1.6627	82814	1.6627
4	M/S. BADRA ESTATES & INDUSTRIES LTD	70000	1.4054	70000	1.4054
5	M/S.BALANOR PLANTATIONS & INDUSTRIES LTD	67850	1.3622	67850	1.3622
6	MR. ARUN MAMMEN	52500	1.0540	52500	1.0540
7	MR. BALARAM BHARWANI JT1.POONAM BHARWANI	52000	1.0440	50200	1.0079
8	MR. THOMAS VARGHESE	50600	1.0159	-	-
9	M/S. STABLE INVESTMENTS & FIN CO	50000	1.0039	50000	1.0039
10	MRS.THANKAMMA SIMON	40410	0.8113	40410	0.8113

(v) Shareholding of Directors and Key Managerial Personnel :

Sl.No.	For Each of the Directors & KMP	Shareholding at the end 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	0.2861	14256	0.2861
2	MR. MAMMEN PHILIP	95363	1.9145	95363	1.9145
	Shareholding of Directors :				
3	MRS. SUSAN KURIAN	7000	0.1405	7000	0.1405
4	MR. JACOB MAMMEN	6899	0.139	6899	0.139
5	MR. ASHOK KURIYAN	3275	0.0657	3275	0.0657
6	MR. KARUN PHILLIP	74259	1.4909	74259	1.4909

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	459.48	20.00	-	459.48
ii) Interest due but not paid	-	-	-	3.60
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	459.48	20.00	-	479.48
Change in Indebtedness during the financial year				
• Addition	80.61	-	-	80.61
• Reduction	-	-	-	-
Net Change	80.61	-	-	80.61
Indebtedness at the end of the financial year				
i) Principal Amount	540.09	20.00	-	560.09
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	540.09	20.00	-	560.09

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A) Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(In lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		MR. ROY MAMMEN Managing Director	MR. MAMMEN PHILIP Director Corporate Affairs	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18.30	2.07	20.37
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6.63	-	6.63
	(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 Board committee meetings)	-	-	-
	Total (A)	24.93	2.07	27.00

B) Remuneration to other directors:

(In lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Ashok kuriyan	Mr. Jacob Mammen	Mr. Karun Philip	Mrs. Susan Kurian	
1.	Independent Directors					
	• Fee for attending committee meetings	0.040	-	-	0.030	0.070
	• Commission	-	-	-	-	-
	• Others, please	-	-	-	-	-
	Total (1)	0.040	-	-	0.030	0.070
2.	Other Non-Executive Directors					
	• Fee for attending -Board committee meetings	-	0.040	0.030	-	0.070
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	-	0.040	0.030	-	0.070
	Total = (1 + 2)	0.040	0.040	0.030	0.030	0.140
1.	Income-tax Act, 1961 Profits under in lieu section of salary 17 (3) of the Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission					
	- as % of profit	-	-	-	-	-
	- others, specify	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	Total	0.040	0.040	0.030	0.030	0.140

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 2017-18.

- (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 are offering various incentive 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 ORDER OF THE BOARD
For **M.M.RUBBER CO. LTD.**,

PLACE: BANGALORE
DATE: 30.5.2018

ASHOK KURIYAN
Director
(DIN: 00081374)

ROY MAMMEN
Managing Director
(DIN: 00077409)

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.

PLACE: BANGALORE
DATE: 30.5.2018

ASHOK KURIYAN
Director
(DIN No. 00081374)

By ORDER OF THE BOARD
FOR M.M.RUBBER CO. LTD.,

ROY MAMMEN
Managing Director
(DIN No. 00077409)

INDEPENDENT AUDITORS' REPORT**To The Members of M M Rubber Company Limited****Report on the Financial Statements:**

We have audited the accompanying Ind AS financial statements of M M Rubber Company Limited, (The Company) Bangalore which comprise the Balance Sheet as at 31st March 2018, 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 "Ind AS Financial Statements")

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) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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.

Auditor's Responsibility:

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder, and the order issued under section 143(11) of the Act.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing as specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Ind AS financial statements.

Basis for Qualified Opinion

1. As stated in Note No. 35 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 2018.
2. As stated in Note No.36 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 31.3.2018.**
3. As stated in Note No.37 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. **The balances in Sundry Debtors and Sundry Creditors is subject to confirmation.**
5. In the absence of sufficient appropriate evidence we are unable to comment upon the consequential impact if any on the accompanying Ind AS financial statements. The audit opinion on the financial statements for the year ended 31 March 2017 by predecessor Auditor was also qualified in respect of this matter.

Qualified Opinion

6. In our opinion and to the best of our information and according to the explanations given to us except for the effects of the matter described in the Basis for Qualified Opinion paragraph in the aforesaid Ind As financial statements

give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act of the state of affairs (financial position) of the Company as at 31 March 2018 and its profit (financial performance including other comprehensive income) its cash flows and the changes in equity for the year ended on that date.

Other Matter

The financial information for the year ended 31st March 2017 and the transition date opening balance sheet as at 1st April 2016 included in these special purpose Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report dated 30.5.2017 and 30.5.2016 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us

Report on other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India 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.

As required by Section 143(3) of the Act, based on our Audit we report, to the extent applicable, that:

1. 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.
2. 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.
3. 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.
4. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of Act. read with relevant Rules thereunder:
5. On the basis of the written representations received from the directors as on 31st March 2018 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013
6. 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" and
7. 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, 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, 2018.
 - 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.

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

(CA. VANDANA.S.RAO)
Proprietrix
Membership No 218797

Place : Bangalore
Date : 30.05.2018

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 2018, 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.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms 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, investments, 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, the company has generally been regular in depositing 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, Service tax, Cess and other statutory dues with the appropriate authorities. 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, Service tax, Cess and other statutory dues were in arrears as at 31st March 2018, for a period of more than six months from the date they became payable.
- (b) The details of due of excise duty, which have not been deposited as on 31st March 2018, on account of disputes are given below:

Name of the Statute	Nature of Dues	Amount Rs in lakhs	Period to Which it relates	Forum where Pending
Central Excise Laws	Excise Duty 1/3/1981 to 31/3/1985 Order dated 5/07/2011	96.30	1980/85	CE Tribunal Chennai

- (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. 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 during the year. The Company has applied the term loan raised during the year under audit for the purposes they were raised.
- (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 complied 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 preferential allotment or private placements of shares or fully or partly convertible debentures during the year.
- (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. S. RAO)
Proprietrix
Membership No 218797

Place : Bangalore
Date : 30.05.2018

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 over financial reporting of M M Rubber Co Ltd (the Company) as of 31st March 2018 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 over financial reporting 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. 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 over financial reporting was 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting 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 over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting:

A company's internal financial control over financial reporting 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 over financial reporting 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 over Financial Reporting:

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting 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.17,35,82,548/- and net block of Rs.8,60,78,061/-. 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 subject to qualified opinion above and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, 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.

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

(CA.VANDANA.S.RAO)
Proprietrix
Membership No 218797

Place : Bangalore
Date : 30.05.2018

BALANCE SHEET AS AT 31ST MARCH 2018

	Note No.	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at March 31, 2016 ₹
I. ASSETS				
Non-current assets				
(a) Property, plant and equipment	3	86,078,061	90,100,485	92,473,546
(b) Financial assets				
(i) Investments	4	8,567	8,567	8,567
(ii) Other financial assets	5	820,641	731,341	721,362
(c) Deferred tax assets		-	-	-
(d) Other non-current assets	6	8,426,592	8,562,162	9,073,723
Total Non-current assets		95,333,861	99,402,555	102,277,198
Current assets				
(a) Inventories	7	38,784,867	41,085,892	41,419,058
(b) Financial assets				
(i) Trade receivables	8	28,551,915	17,930,897	16,018,446
(ii) Cash and cash equivalents	9	3,857,762	3,223,690	3,530,174
(iii) Other Bank balances	9	200,000	200,000	705,929
(iv) Other financial assets	10	2,210,525	2,610,930	3,758,117
Total Current assets		73,605,069	65,051,409	65,431,724
TOTAL ASSETS		168,938,930	164,453,964	167,708,922
I. EQUITY AND LIABILITIES				
Shareholders' funds				
(a) Share capital	11	9,961,130	9,961,130	9,961,130
(b) Other equity	12	51,815,310	63,654,062	62,421,132
TOTAL EQUITY		61,776,440	73,615,192	72,382,262
II. LIABILITIES				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	13	13,389,826	4,009,814	139,301
(b) Deferred tax liabilities (net)	14	14,887,018	18,888,673	18,860,233
Total Non current liabilities		28,276,844	22,898,487	18,999,534
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	15	40,241,018	41,981,060	44,130,704
(ii) Trade payables				
(i) micro and small enterprises, and	16	-	-	-
(ii) other than micro and small enterprises	16	25,202,002	11,147,257	14,929,310
(iii) Other Financial Liabilities	17	11,710,407	10,909,092	9,175,425
(b) Other current liabilities	18	1,732,219	3,902,876	8,091,687
(c) Current Tax Liabilities (Net)	18A	-	-	-
Total Current liabilities		78,885,646	67,940,285	76,327,126
TOTAL EQUITY AND LIABILITIES		168,938,930	164,453,964	167,708,922

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

CA.VANDANA S RAO
PROPRIETRIX
Membership No. : 218797
BANGALORE
DATE:30.05.2018

ASHOK KURIYAN
DIRECTOR

JACOB MAMMEN
DIRECTOR

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2018

	Note No.	Current Year ₹	Previous Year ₹
I Revenue from operations	19	259,190,304	201,262,513
II Other income	20	468,334	1,721,864
III Total revenue (I + II)		<u>259,658,638</u>	<u>202,984,377</u>
IV Expenses:			
Purchases of stock in trade	21	117,727,380	85,141,300
Changes in inventories of finished goods, work in progress and Stock-in-Trade	22	<u>2,301,024</u>	<u>333,167</u>
		120,028,404	85,474,467
Employee benefits expense	23	37,910,733	34,279,088
Finance costs	24	6,217,384	6,194,170
Depreciation and amortization expense	25	2,877,619	1,660,335
Other expenses	26	<u>88,164,904</u>	<u>71,614,948</u>
		255,199,044	199,223,007
Less: expenses capitalised		-	-
Total expenses		<u>255,199,044</u>	<u>199,223,007</u>
V Profit before exceptional and extraordinary items and tax (III-IV)		4,459,594	3,761,370
VI Exceptional Items		-	-
VII Profit before extraordinary items and tax (V-VI)		4,459,594	3,761,370
VIII Extraordinary items		-	-
IX Profit before tax (VII-VIII)		4,459,594	3,761,370
X Tax expense:			
Current tax		300,000	-
Deferred tax		<u>1,148,345</u>	<u>672,190</u>
		1,448,345	672,190
XI Profit for the year from continuing operations (IX-X)		3,011,248	3,089,180
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit/(loss) from discontinuing operations (after tax) (XII-XIII)		3,011,248	3,089,180
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
a) Revaluation of property, plant and equipment		(20,000,000)	(2,500,000)
b) Taxes on above		<u>5,150,000</u>	<u>643,750</u>
		(14,850,000)	(1,856,250)
(ii) Items that may be reclassified to profit or loss			
a) Mark to Market of Investments		-	-
b) Taxes on above		-	-
XV Loss for the year (XI + XIV)		(11,838,752)	1,232,930
XVI Earning per equity share	28	0.60	0.62
Basic & diluted (in ₹)			
Paid up value per share		2	2

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

CA. VANDANA S RAO
PROPRIETRIX
Membership No. : 218797
BANGALORE
DATE:30.05.2018

ASHOK KURIYAN
DIRECTOR

JACOB MAMMEN
DIRECTOR

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

	Current Year ₹	Previous Year ₹
Cash flows from operating activities		
Profit / (Loss) before taxation	4,459,594	3,761,370
Adjustments for:		
Depreciation and amortisation	2,877,619	1,660,335
Other Income	(468,334)	(1,721,864)
Finance costs	6,217,384	6,194,170
Excess provision of bonus	-	(23,805)
	<u>8,626,669</u>	<u>6,108,836</u>
	<u>13,086,263</u>	<u>9,870,206</u>
Increase/ decrease in trade and other receivables	(10,174,342)	(263,681)
Increase/ decrease in inventories	2,301,024	333,167
Increase/ decrease in trade payables and other current liabilities	12,685,403	(6,213,392)
	<u>4,812,085</u>	<u>(6,143,906)</u>
	<u>17,898,348</u>	<u>3,726,300</u>
Income taxes paid	(300,000)	-
Net cash from operating activities	<u>17,598,348</u>	<u>3,726,300</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(18,855,196)	(1,787,274)
Other Income	468,334	1,721,864
Net cash from investing activities	<u>(18,386,862)</u>	<u>(65,410)</u>
Cash flows from financing activities		
Proceeds from issue of share capital	-	-
Proceeds from long term borrowings	(1,740,042)	(2,149,644)
Repayment of long term borrowings	9,380,012	3,870,513
Finance costs	(6,217,384)	(6,194,170)
Net cash from financing activities	<u>1,422,586</u>	<u>(4,473,301)</u>
Net increase/(decrease) in cash and cash equivalents	<u>634,072</u>	<u>(812,412)</u>
Cash and cash equivalents at beginning of the year	<u>3,423,690</u>	<u>4,236,103</u>
Cash and cash equivalents at end of the year	<u>4,057,762</u>	<u>3,423,690</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

CA. VANDANA S RAO
PROPRIETRIX
Membership No. : 218797
BANGALORE
DATE:30.05.2018

ASHOK KURIYAN
DIRECTOR

For and on behalf of the Board

ROY MAMMEN
MANAGING DIRECTOR

JACOB MAMMEN
DIRECTOR

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 Indian Accounting Standards ("Ind AS") as notified under Section 133 of the Companies Act, 2013 (the Act) {Companies (Indian Accounting Standards) Rules, 2015} and other relevant provisions of the Act.

For all the periods upto and including the year ended 31st March 2017, the company prepares its financial statements in accordance with Accounting Standards notified under the Section 133 of the companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014 (Indian GAAP).

These financial statements for the year ended 31st March 2018 are the first such statements the company has prepared in accordance with Ind AS. Refer to note No.2.1 and 2.2 for information on first time adoption of Ind AS.

b USE OF ESTIMATES:

The preparation of financial statements in conformity with Ind AS 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 to 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:

a. Depreciation on PPE bought/sold during the year is charged on written down value method as per the

useful life in Schedule II of the 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 Finanacial Statements).
- (v) Material cost of work in progress and finished goods are computed on weighted average basis.

f REVENUE RECOGNITION:

Revenue is recognized to an extent that is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- (i) Sale of products and services is recognized on shipment of goods and transfer of significant risks and rewards to customers or on proportionate completion of services. Net sales are stated at contractual realizable values, net of excise duty,GST, sales tax, service tax, value added tax and trade discounts.
- (ii) Interest income is recognized on time proportion basis.

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, wages, bonus, leave travel allowance etc. are recognized in the period in which the employee renders the related service.

- (ii) 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.

(iii) 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. Defined Benefit plan:

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. 37 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.

1C. Recent Accounting Pronouncements:

Introduction of new Ind AS Standard/Amendments to Ind AS Standards“Through a Notification dated 28th March 2018, the Ministry of Corporate Affairs has indicated 1st April 2018 as the effective date for the implementation of Ind AS 115- Revenue from Contracts with Customers. In addition, limited amendments have been made to some other Ind AS standards (Ind AS's 2, 12, 21, 28 and 40) “The company is in the process of assessing the impact of the introduction of Ind AS 115- Revenue from Contracts with Customers and the limited amendments to the other Ind AS Standards. The impact, if any, will be disclosed in the financial statements for the period ended 30th June 2018/year ended 31st March 2019.

2.1. Transition to Ind AS:

These are the Company's first financial statements prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. The adoption of Ind AS was carried out in accordance with Ind AS 101 - 'First-time Adoption of Indian Accounting Standards' using transition date as April 1, 2016.

Ind AS 101 requires that all Ind AS be consistently and retrospectively applied for fiscal years presented. The Company has prepared Opening Balance Sheet on the transition date and subsequent financials based on the accounting policies set out in Note-1B.

In preparing these financials, the Company has availed following exemptions in the transition from previous GAAP to Ind AS in accordance with Ind AS 101.

Optional Exemptions:

a) Deemed Cost:

Property, plant and equipment and intangible assets were carried in the balance sheet prepared under previous GAAP as at March 31, 2016. The Company has elected to regard such carrying amount as deemed cost at the date of transition i.e. April 01, 2016 except for Land and buildings where the Company has opted for fair value model as per Ind AS 16.

NOTES TO FINANCIAL STATEMENTS

2.2. The following statement provides first-time Ind AS adoption reconciliation that quantifies the significant differences arising on account of transition from previous GAAP to Ind AS.

a) Effect of Ind AS adoption on the balance sheet as at March 31, 2017 and April 1, 2016 (transition date):

(Rs.)

Particulars	As at March 31, 2017			As at April 01, 2016		
	Amount as per previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS	Amount as per previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS
I. ASSETS						
Non-current assets						
(a) Property, plant and equipment	7,829,070	82,271,415	90,100,485	6,882,723	85,590,823	92,473,546
(b) Financial assets						
(i) Investments	8,567	-	8,567	8,567	-	8,567
(ii) Other financial assets	731,341	-	731,341	721,362	-	721,362
(c) Other non-current assets	8,562,162	-	8,562,162	9,073,723	-	9,073,723
Total Non-current assets	17,131,140	82,271,415	99,402,555	16,686,375	85,590,823	102,277,198
Current assets						
(a) Inventories	41,085,892	-	41,085,892	41,419,058	-	41,419,058
(b) Financial assets						
(i) Investments	-	-	-	-	-	-
(ii) Trade receivables	17,930,897	-	17,930,897	16,018,446	-	16,018,446
(iii) Cash and cash equivalents	3,223,690	-	3,223,690	3,530,174	-	3,530,174
(iv) Other Bank balances	200,000	-	200,000	705,929	-	705,929
(v) Other financial assets	2,610,930	-	2,610,930	3,758,117	-	3,758,117
Total Current assets	65,051,409	-	65,051,409	65,431,724	-	65,431,724
TOTAL ASSETS	82,182,549	82,271,415	164,453,964	82,118,099	85,590,823	167,708,922
I. EQUITY AND LIABILITIES						
Shareholders' funds						
(a) Share capital	9,961,130	-	9,961,130	9,961,130	-	9,961,130
(b) Other equity	113,517	63,540,545	63,654,062	(4,309,458)	66,730,590	62,421,132
TOTAL EQUITY	10,074,647	63,540,545	73,615,192	5,651,672	66,730,590	72,382,262
II. LIABILITIES						
Non-current liabilities						
(a) Financial liabilities						
(i) Borrowings	4,167,617	(157,803)	4,009,814	139,301	-	139,301
(ii) Other financial liabilities	-	-	-	-	-	-
(b) Deferred tax liabilities (net)	-	18,888,673	18,888,673	-	18,860,233	18,860,233
Total Non current liabilities	4,167,617	18,730,870	22,898,487	139,301	18,860,233	18,999,534
Current liabilities						
(a) Financial liabilities						
(i) Borrowings	41,981,060	-	41,981,060	44,130,704	-	44,130,704
(ii) Trade payables						
(i) micro and small enterprises, and	-	-	-	-	-	-
(ii) other than micro and small enterprises	11,147,257	-	11,147,257	14,929,310	-	14,929,310
(iii) Other Financial Liabilities	10,909,092	-	10,909,092	9,175,425	-	9,175,425
(b) Provisions	-	-	-	-	-	-
(c) Other current liabilities	3,902,876	-	3,902,876	8,091,687	-	8,091,687
(d) Current Tax Liabilities (Net)	-	-	-	-	-	-
Total Current liabilities	67,940,285	-	67,940,285	76,327,126	-	76,327,126
TOTAL EQUITY AND LIABILITIES	82,182,549	82,271,415	164,453,964	82,118,099	85,590,823	167,708,922

NOTES TO FINANCIAL STATEMENTS**b) Reconciliation of loss between Ind AS and previous GAAP 2016-17**

(Rs.)

Nature of adjustments	Amount
Net Profit after tax as reported under Previous GAAP	4,422,975
Ind AS: Adjustments increase/(decrease)	
Deferred tax recognition	(672,190)
Depreciation on Fair value adjustments on Land and Building	(819,409)
Processing charges on Borrowings	157,803
Total Ind AS adjustments affecting loss as per statement of profit and loss	(1,333,795)
Profit under Ind AS (after tax)	3,089,180
Other comprehensive income	
Fair value adjustments on Land and Building	(2,500,000)
Deferred tax Asset in respect of above items(net)	643,750
Total Ind AS adjustments of other comprehensive income	(1,856,250)
Total comprehensive income reported under Ind AS	1,232,930

c) Reconciliation of Other equity between Ind AS and previous GAAP

(Rs.)

Nature of adjustments	As at March 31,2017	As at April 1,2016
Other Equity as reported under Previous GAAP	113,517	(4,309,458)
Effect of Transition to Ind AS:		
Fair value of land and building	82,271,414	85,590,823
Deferred tax liabilities (net)	(18,888,673)	(18,860,233)
Processing fee on Borrowings	157,803	-
Total Ind AS Adjustments	63,540,545	66,730,590
Other equity under Ind AS	63,654,062	62,421,132

d) There were no significant reconciliation items between cash flows prepared under previous GAAP and those prepared under Ind AS.

Notes:

- A Under previous GAAP, rental deposits were recognised at amount paid to lessors. Under Ind AS, lease deposits are carried at amortised cost over the period of deposits.
- B Under previous GAAP, allowance for trade receivables were recognized based on the incurred loss method. Under Ind AS, loss allowance are based on probable loss assessment as estimated by the management.
- C Under previous GAAP, gains on revaluation of land were recognized as and when such revaluations were carried out and were credited to revaluation reserve. Under Ind AS, such revaluation is to be carried out at sufficient regularity and is to be recognized in other comprehensive income. Revaluation of land was last carried out as at April 01,2016. Further fresh revaluation was done as on March 31,2017 and March 31, 2018. Accordingly, in these Ind AS financial statements, land has been revalued as on March 31,2017 and March 31,2018 and the incremental amounts have been recognized in other comprehensive income.
- D Under previous GAAP, deferred tax was accounted based on timing differences impacting the Statement of Profit and Loss for the period. Under Ind AS, Deferred tax is recognised for temporary differences between tax and book bases of the relevant assets and liabilities. No deferred tax liability was recognisable under previous GAAP in respect of the incremental amount arising on revaluation of land. In the current financial statements, deferred tax liability has been recognized on such amount.

NOTES TO FINANCIAL STATEMENTS
3. Property plant and equipment:
Tangible assets

Gross block	Land	Building	Moulds	Plant & Machinery	Office equipments	Furniture and fittings	Motor vehicles	Total
Balance as at 01 April 2016	33,375	5,472,683	8,479,215	62,877,980	5,845,691	4,369,394	1,823,840	88,902,178
Add: Revaluation surplus	60,966,625	25,571,275	-	-	-	-	-	86,537,900
Balance as at 01 April 2016 (Ind AS)	61,000,000	31,043,958	8,479,215	62,877,980	5,845,691	4,369,394	1,823,840	175,440,078
Additions	-	950,000	-	477,940	137,522	216,262	5,550	1,787,274
Less: Revaluation deficit	-	(2,500,000)	-	-	-	-	-	(2,500,000)
Balance as at 31 March 2017	61,000,000	29,493,958	8,479,215	63,355,920	5,983,213	4,585,656	1,829,390	174,727,352
Additions	-	2,360,000	872,000	8,598,705	560,884	81,060	6,382,547	18,855,196
Less: Revaluation deficit	(20,000,000)	-	-	-	-	-	-	(20,000,000)
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
Accumulated depreciation	-	-	-	-	-	-	-	-
Balance as at 01 April 2016	-	4,543,958	8,387,731	59,295,292	5,559,665	2,965,948	1,266,863	82,019,456
Add: Revaluation depreciation	-	947,077	-	-	-	-	-	947,077
Balance as at 01 April 2016 (Ind AS)	-	5,491,035	8,387,731	59,295,292	5,559,665	2,965,948	1,266,863	82,966,533
Depreciation charge for the year	-	862,916	14,489	309,441	192,421	169,483	111,585	1,660,335
Disposals	-	-	-	-	-	-	-	-
Balance as at 31 March 2017	-	6,353,951	8,402,219	59,604,733	5,752,086	3,135,431	1,378,448	84,626,868
Depreciation charge for the year	-	841,769	60,053	799,647	235,902	250,573	689,675	2,877,619
Disposals	-	-	-	-	-	-	-	-
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
Net block	-	-	-	-	-	-	-	-
Balance as at 01 April 2016	61,000,000	25,552,923	91,485	3,582,688	286,026	1,403,446	556,977	92,473,546
Balance as at 31 March 2017	61,000,000	23,140,007	76,996	3,751,187	231,127	1,450,225	450,942	90,100,485
Balance as at 31 March 2018	41,000,000	24,658,238	888,943	11,550,245	556,109	1,280,712	6,143,814	86,078,061

Additional information:

- 1) 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.

4. Non current investments:

Details of investments	Name of the Company	As at March 31, 2018			As at March 31, 2017			As at March 31, 2016		
		No of shares	Face value	Amount	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			8,567			8,567				8,567
Total			8,567			8,567				8,567
Less:										
Provision for diminution in value of investments			-			-				-
Total			8,567			8,567				8,567

NOTES TO FINANCIAL STATEMENTS

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at March 31, 2016 ₹
5. Other Financial Assets: (Unsecured and considered good)			
i) Security deposits	820,641	731,341	721,362
	820,641	731,341	721,362
Amounts due from a private company in which a director of the Company is a director included in the above	-	-	-
6. Other non current assets: (unsecured and considered good)			
i) Balances with revenue authorities	8,426,592	8,562,162	9,073,723
	8,426,592	8,562,162	9,073,723
Less: Allowance for bad and doubtful receivables	-	-	-
	8,426,592	8,562,162	9,073,723
7. Inventories:			
i) Raw Materials	1,158,400	681,437	327,691
ii) Finished Goods	37,626,467	40,404,455	41,091,367
	38,784,867	41,085,892	41,419,058
8. Trade receivables:			
i) Trade receivables exceeding six months	2,165,703	2,014,564	1,942,500
ii) others	26,386,212	15,916,333	14,075,946
	28,551,915	17,930,897	16,018,446
Less: Allowance for doubtful receivables exceeding six months	-	-	-
	28,551,915	17,930,897	16,018,446
Additional information:			
1) Breakup of above:			
i) Secured, considered good	-	-	-
ii) Unsecured, considered good	28,551,915	17,930,897	16,018,446
iii) Doubtful	-	-	-
Total	28,551,915	17,930,897	16,018,446
Less: Allowance for doubtful receivables exceeding six months	-	-	-
	28,551,915	17,930,897	16,018,446
2) a) Debts due by directors or other officers of the company Amounts due by private companies in which directors of the Company are directors	-	-	-
	-	-	-
9. Cash and Cash Equivalents:			
a) Cash and cash equivalents:			
i) Balances with banks - in other accounts	3,710,360	3,002,961	3,397,847
ii) Cash on hand	147,402	220,729	132,327
	3,857,762	3,223,690	3,530,174
b) Other bank balances:			
i) Balances with banks - in margin money, security for borrowings, guarantees and other commitments	200,000	200,000	705,929
	200,000	200,000	705,929
Total (a + b)	4,057,762	3,423,690	4,236,103

NOTES TO FINANCIAL STATEMENTS

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at March 31, 2016 ₹
10. Other Financial Assets:			
i) Security deposits	1,820,343	1,520,411	1,474,325
ii) Prepaid expenses	251,715	58,850	251,715
iii) Others	138,467	1,031,669	2,032,077
	2,210,525	2,610,930	3,758,117
Less: Allowance for doubtful advances	-	-	-
	2,210,525	2,610,930	3,758,117
Additional information:			
1) Breakup of above:			
i) Secured, considered good	-	-	-
ii) Unsecured, considered good	2,210,525	2,610,930	3,758,117
iii) Doubtful	-	-	-
Total	2,210,525	2,610,930	3,758,117
Less: Allowance for doubtful advances	-	-	-
	2,210,525	2,610,930	3,758,117
2) a) Debts due by directors or other officers of the company			
Amounts due by private companies in which directors of the Company are directors	-	-	-

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Number	₹	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	35,000,000	70,000,000	35,000,000	70,000,000
Issued:						
Equity shares of ₹ 2/- each	4,985,315	9,970,630	4,985,315	9,970,630	4,985,315	9,970,630
	4,985,315	9,970,630	4,985,315	9,970,630	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	4,980,565	9,961,130
Issued during the year	-	-	-	-	-	-
At the close of the year	4,980,565	9,961,130	4,980,565	9,961,130	4,980,565	9,961,130
Total carried to Balance Sheet		9,961,130		9,961,130		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	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	98,883	197,766

NOTES TO FINANCIAL STATEMENTS

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Number	%	Number	%	Number	%
(i) Naveen Bothra	384,650	7.72%	244,000	4.90%	244,000	4.90%

Statement of Changes in Equity

12. Other Equity

Particulars	Attributable to owners of the Company			Total Other equity
	Other Equity			
	Share premium	Revaluation reserve	Retained earnings	
	Rs.	Rs.	Rs.	Rs.
As at 1 April 2016	3,750	-	(4,313,208)	(4,309,458)
Add/(Less): adjustment for Revaluation of land building and depreciation	-	64,254,391	(947,077)	63,307,314
Add/(Less): Ind AS adjustments Deferred tax recognition	-	-	3,423,276	3,423,276
As at 1st April 2016 (after opening Ind AS adjustments)	3,750	64,254,391	(1,837,009)	62,421,132
Add/(Less): Profit / (Loss) for the year	-	-	4,422,975	4,422,975
Add/(Less): Ind AS adjustments - Deferred tax recognition	-	-	(672,190)	(672,190)
Less: adjustment for Revaluation of land building and depreciation	-	(2,500,000)	(819,409)	(3,319,409)
Less: INDAS adjustment for fair valuation of borrowings	-	-	157,803	157,803
	-	643,750	-	643,750
Total Other Equity as at March 31 2017	3,750	62,398,141	1,252,171	63,654,062
Add/(Less): Profit for the quarter	-	-	(11,838,752)	(11,838,752)
Less: INDAS adjustment for Revaluation of land building	-	(20,000,000)	14,850,000	(5,150,000)
Less: Tax Adjustment on Ind AS items	-	5,150,000	-	5,150,000
Total Other Equity as at March 31 2018	3,750	47,548,141	4,263,419	51,815,310

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at March 31, 2016 ₹
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Non- Current Liabilities

13. Borrowings:

Secured loans:

a. Loan from Banks

Less: Current maturities on loan from banks

	15,767,963	5,988,720	323,429
	2,378,137	1,978,906	184,128
	13,389,826	4,009,814	139,301
Total Borrowings	13,389,826	4,009,814	139,301

NOTES TO FINANCIAL STATEMENTS

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at March 31, 2016 ₹
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 instalments.			
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 a interest rate of 12.50% per annum repayable in 74 equated monthly instalments.			
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)	5,940,853	5,940,853	6,584,603
b) On account of revaluation of land	10,548,906	15,698,906	15,698,906
Total	16,489,759	21,639,759	22,283,509
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	2,751,087	3,423,276
Total	1,602,741	2,751,087	3,423,276
Net Deferred tax (liability)/asset	14,887,018	18,888,673	18,860,233
Current Liabilities			
15. Borrowings:			
Secured loans:			
a) Loans repayable on demand - from banks	38,241,018	39,981,060	39,270,704
Unsecured Loans:			
- from Others	2,000,000	2,000,000	4,860,000
Total	40,241,018	41,981,060	44,130,704
1) Details of security for secured loans:			
a) Working capital facility availed from South Indian Bank is primarily secured against hypothecation of entire assets of the Company and collaterally secured by equitable mortgage of 2.95 acres of land with factory building at Ranipet, Tamilnadu at a interest rate of 12.70% per annum.	38,241,018	39,981,060	39,270,704
2) Terms and conditions for unsecured loans from others:			
a) Represents loan availed from a corporate carrying a interest rate of 9% p.a. repayable on demand	2,000,000	2,000,000	4,860,000
Note: There are no defaults in repayment of principal or interest thereon			

NOTES TO FINANCIAL STATEMENTS

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at March 31, 2016 ₹
Current Liabilities			
16. Trade payables:			
a) Total outstanding dues of micro and small enterprises			
Trade payables	-	-	-
b) Total outstanding dues of creditors other than micro and small enterprises			
Trade payables	25,202,002	11,147,257	14,929,310
	25,202,002	11,147,257	14,929,310

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, 2018	As at March 31, 2017	As at April 01, 2016
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	2,378,137	1,978,906	184,128
b) Deposits from dealers	1,278,900	978,900	1,038,900
c) Others	8,053,370	7,951,286	7,952,397
	11,710,407	10,909,092	9,175,425

18. Other current liabilities:

a) Accrued Expenses and other liabilities	1,158,902	1,193,984	3,707,917
b) Statutory Dues	568,375	2,352,166	2,427,306
c) Others	4,942	356,726	1,956,464
	1,732,219	3,902,876	8,091,687

18A. Current Tax Liabilities (Net):

a) Provision for tax (net of advance tax)	-	-	-
	-	-	-

NOTES TO FINANCIAL STATEMENTS

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
19. Revenue from operations:		
i) Sale of Products		
Domestic Sales	271,848,439	231,905,963
Less: Excise duty*	5,284,051	24,971,818
	266,564,388	206,934,145
Less: Sales discount	7,374,084	5,671,632
	259,190,304	201,262,513
* Excise duty for the current reporting year is for April to June 2017 only.		
20. Other income:		
i) Others	333,340	1,721,864
ii) Profit on sale of fixed assets	134,994	-
	468,334	1,721,864
21. Cost of Purchase:		
Consumption of Stores, Components & Spare Parts	110,009,710	79,924,010
Purchase of stock in trade	7,717,670	5,217,290
	117,727,380	85,141,300
22. Changes in inventories of stock in trade:		
Stocks at the end of the year		
i) Finished goods	37,626,467	40,404,455
ii) Raw Materials	1,158,400	681,437
	38,784,867	41,085,892
Less: Stocks at the beginning of the year		
i) Finished goods	40,404,454	41,091,367
ii) Raw Materials	681,437	327,691
	41,085,891	41,419,058
	2,301,024	333,167
23. Employee benefit expenses:		
i) Salaries , wages and bonus	32,315,693	29,711,425
ii) Contribution to provident and other funds	2,653,805	2,575,899
iii) Gratuity	1,039,893	26,025
iv) Staff welfare expenses	1,901,342	1,965,739
	37,910,733	34,279,088
24. Finance costs:		
i) Interest expense	6,217,384	6,194,170
ii) Other borrowing costs	-	-
	6,217,384	6,194,170
25. Depreciation and amortization:		
i) Depreciation	2,877,619	1,660,335
	2,877,619	1,660,335

NOTES TO FINANCIAL STATEMENTS

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
26. Other expenses:		
i) Repairs & Maintenance		
- Buildings	4,367,807	3,224,090
- Machinery	1,994,340	1,649,483
- Others	259,695	199,141
ii) Advertisement expenses	9,505,637	8,300,833
iii) Bank Charges	344,193	330,800
iv) Registration Expenses	-	96,571
v) Sitting Fee	14,000	16,000
vi) Conference and Seminar Expense	15,769	10,900
vii) Service Tax on Transport of Goods	-	137,653
viii) Insurance	296,158	232,723
ix) Rates and Taxes	437,596	53,828
x) Travelling and Conveyance	5,612,197	5,758,760
xi) Freight expenses	14,671,731	9,447,821
xii) Rent	7,504,524	6,701,407
xiii) Professional Charges	9,261,273	3,747,585
xiv) Sales Promotion Expenses	5,059,553	2,487,910
xv) Fabrication Charges	2,142,387	1,054,805
xvi) Turnover Discount	7,748,770	7,092,921
xvii) Vehicle Maintenance	630,569	442,795
xviii) Audit fee	203,088	202,680
xix) Consumption of spares	598,631	461,583
xx) Watch & Ward Expenses	900,538	771,789
xxi) Power and Fuel	5,584,656	5,518,955
xxii) Stitching Charges	1,708,087	1,713,677
xxiii) Telephone Expenses	646,215	719,116
xxiv) Commission on sales	302,780	91,222
xxv) Postage Expenses	1,010,880	1,019,965
xxvi) Printing & Stationery	1,026,463	1,143,989
xxvii) Prompt Payment Discount	3,513,099	2,878,709
xxviii) Manufacturing Expenses	357,764	423,915
xxix) Other Expenses	2,446,503	5,683,322
	88,164,904	71,614,948
27. Additional Information:		
a) Value of Imports calculated on CIF basis:		
i) Purchases of Stock in Trade	13,492,318	13,176,444
ii) Capital goods	-	-
b) Expenditure in foreign currency: (net of withholding tax)		
i) Other matters	266,729	1,784,088
c) Details of non-resident shareholdings		
i) Number of nonresident share holders	58	52
ii) Number of shares held by nonresident shareholders	135,219	113,062
iii) Amount remitted during the year in foreign currency on account of dividends	-	-
d) Earnings in foreign exchange:		
i) Sale of products	-	-

NOTES TO FINANCIAL STATEMENTS

Particulars	Year Ended March 31, 2018 ₹	Year Ended March 31, 2017 ₹
28. 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	3,011,248	3,089,180
Weighted average number of equity shares	4,980,565	4,980,565
Paid up value per share	2	2
Earnings per share (basic & diluted) (*)	0.60	0.62

Particulars	As at March 31, 2018 ₹	As at March 31, 2017 ₹	As at March 31, 2016 ₹
29. 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	9,630,000	9,630,000	9,630,000
The management believes, based on internal assessment and / or legal advice, that the probability of an ultimate adverse decision and outflow of resources of the Company is not probable and accordingly, no provision for the same is considered necessary.			
b) Commitments			
i) Warranty on sale of products	-	-	-

30. 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.

31. RELATED PARTY TRANSACTIONS:

(a) Name of related parties and description of relationship where controls exists:

Sl. 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 - Non Executive Director Mammen Philip - Director Corporate Affairs	Key Management Personnel and their relatives ("KMP")
5	M/s. Balanoor Plantations & Industries Limited M/s. Malayala Manorama Company Limited	Enterprises over which key management personnel and their relatives are able to exercise significant influence

NOTES TO FINANCIAL STATEMENTS

(b) Transactions with the related parties

(₹ in Lakhs)

Particulars	Relationship	Current Year	Previous Year
Interest Expense to Mr. Jacob Mammen	Director	451,234	451,234
Remuneration paid: Roy Mammen	Managing Director	2,493,606	1,782,000
Mammen Philip	Director Corporate Affairs	207,000	207,000

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

(₹ in Lakhs)

Particulars	Relationship	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Roy Mammen	Key Management Personnel and their relatives ("KMP")	4942	356725	1956464
Jacob Mammen		5201946	5099863	5100973
M/s. Balanoor Plantations & Industries Limited	Enterprises over which key manage- ment personnel and their relatives are able to exercise significant influence	250,000	250,000	250,000
M/s. Malayala Manorama Company Limited		50,000	50,000	50,000

32. OPERATING LEASE (Ind AS 17):

The Company has various operating leases for office facilities which is renewable on a periodic basis, and cancellable at its option. Rental expenses for operating leases included in the financial statements for the year are ₹ 75,04,524/- (Previous Year ₹ 67,01,407/-).

33. 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, 2018, March 31, 2017 and April 1, 2016.

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.

NOTES TO FINANCIAL STATEMENTS

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, 2018, March 31, 2017 and April 1, 2016 including the effect of hedge accounting.

34. 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	31-Mar-18	31-Mar-17	1-Apr-16
Financial Assets at amortized cost:			
Investments	8,567	8,567	8,567
Trade Receivables	28,551,914	17,930,897	16,018,446
Other Financial Assets	3,031,165	3,342,270	4,479,479
Cash & cash equivalents	3,857,762	3,223,690	3,530,174
Other Bank Balances	200,000	200,000	705,929
Total Financial Assets	35,649,408	24,705,424	24,742,595
Financial Liabilities at amortized cost:			
Borrowings	53,630,844	45,990,874	44,270,005
Other Financial Liabilities	11,710,407	10,909,092	9,175,425
Trade Payables	25,202,002	11,147,257	14,929,311
Total Financial Liabilities	90,543,253	68,047,223	68,374,741

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.

35. 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 such product.

36. 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.

37. 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.

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

CA.VANDANA S RAO
 PROPRIETRIX
 Membership No. : 218797
 BANGALORE
 DATE:30.05.2018

ASHOK KURIYAN
 DIRECTOR

For and on behalf of the Board

ROY MAMMEN
 MANAGING DIRECTOR

JACOB MAMMEN
 DIRECTOR

Voucher No 1	Voucher No 2	Voucher No 3
NAME OF SHAREHOLDER	NAME OF SHAREHOLDER	NAME OF SHAREHOLDER
FOLIO NO. FOR SHARES HELD	FOLIO NO. FOR SHARES HELD	FOLIO NO. FOR SHARES HELD
ADDRESS	ADDRESS	ADDRESS
SIGNATURE OF SHAREHOLDER	SIGNATURE OF SHAREHOLDER	SIGNATURE OF SHAREHOLDER



DISCOUNT*
**(Sale tax and other
local taxes as applicable)**

Valid upto 31st March 2019

This voucher entitles the shareholders to three purchases (upto Rs. 10,000/- per voucher) only of MM Foam at 15% discount from any one of the service centres listed below.

This voucher is to be filled in by the shareholder and surrendered at the time of placing of the order. The service centres listed below will also accept outstation orders by letter provided the shareholder pays the freight involved and sends a draft for the full amount before despatch.

*on MRP Rate

Service Centres authorised to accept this voucher :

mm
FOAM **Service Centres**

- 1 84, SIDCO Industrial Estate, Ambattur, Chennai - 600 098 (Phone : 42080042)
- 1 Plot No. E-44/8, Ground Floor, Okhla Industrial Area Phase II, New Delhi - 110 020
(Phone : 43103435/22158631)
- 1 Gate No. 1, Opp. R. Station Daria, Chandigarh - 161 101 (Phone : 2650999)
- 1 3-4-608, Ground Floor, Near Deepak Theatre, Narayanaguda, Hyderabad - 500 027 (Phone : 27551266)
- 1 45, Gubbanna Industrial Area, VI Block, Rajaji Nagar, Bangalore - 560 010 (Phone : 23150671)
- 1 No. 41/116, R.C. Estate, Thaikavu Junction, Vennala Post, Cochin - 682 026 (Phone : 4047477)
- 1 32-28-1/1, Veeranna Street, Maruthinagar, Vijayawada - 520 004 (Phone : 2441455)
- 1 A-032, Antophill Wearhousing Complex, V.I.T. College Road, Wadala East, Mumbai - 400 037
(Phone : 24112557)