MRF

A Class Apart

MRF PERFINZA

ANNUAL REPORT 2021-22

CONTENT

CHAIRMAN'S MESSAGE

Dear Shareholders,

As we emerged from the lock-down problems of the previous two years, we were faced with a new challenge of rising costs of raw materials during the current year. This increase in the costs of raw materials has been unprecedented as it has happened continuously for months together, forcing us to increase prices of our products time and again in the market. The Ukraine war has not helped either, as some of the raw materials became unavailable and costlier.

On the other hand, the increase in the fuel cost has had its effect on the consumer demand particularly in two wheeler tyres and even to some extent in passenger tyres. The automobile industry has faced its own challenges, the foremost being shortage of semi-conductors for vehicles. This brought down the production of vehicles in many cases, thus bringing down the volume of our institutional sales.

However, the commercial vehicle movement has been brisk for most part of the year and this has lessened our discomfort on the selling front. In the midst of all these challenges, it is indeed remarkable that MRF has been able to notch up a total income of Rs.19304 crores for the last year ended 31st March 2022. This has been achieved mainly because of our own unrelenting stand on the quality of our products and also the trust we have earned from our customers over the years.

MRF's 10th factory in Gujarat has ramped up its production and is contributing significantly to our total production. MRF is in the process of developing new products for new markets in India and abroad. MRF was the pioneer in exports being the first company to export tyres from India way back in the 1960s and we have built up our export markets through the years.

Brand Finance, the world's leading brand valuation consultancy has come out with its brand survey for India and MRF has been adjudged as No.6 amongst the top 10 strongest brands in the country. This is definitely a feather on our cap as the brand preference of our products keeps increasing.

MRF continues its commitment with MRF Pace Foundation and we have produced new fast bowlers like Mr. Prasidh Krishna, Mr. Avesh Khan, Mr. Chetan Sakariya and Mr. Sandeep Warrier who are all selected for the Indian cricket team during the year gone by.

In line with the Government of India's commitment to make the country carbon neutral by 2070 and our domestic and global suppliers'/customers' requirements, our company has initiated a series of measures to enhance its sustainability profile. The various measures which we are taking will reflect in our ESG scores going forward.

I wish to thank the Shareholders, Investors, Central and State Governments, Lenders, Suppliers and Customers for their great support during these trying times. I also thank all my colleagues on the board for their continued support.

Best Wishes,

K.M. MAMMEN
Chairman & Managing Director

NEW PRODUCT LAUNCH

SUV TYRES

MRF MARKUS

The MRF Markus range of tyres has been specially designed and engineered for Luxury SUV's and is OE fitment on the Skoda Kodiaq and the Mahindra Alturas. Available in 8 sizes the Markus is ideally suited to SUV's like the Bentley Bentayga and the BMW X1 and X3.

NEW PRODUCT LAUNCH

TWO WHEELER TYRES

90/100-10
ZAPPER C1 TL

Long-life, dual fitment tyre for scooters.

120/80-12 and 130/80-12
ZAPPER V TL

Tubeless tyres developed for the Aprilia Storm scooter.

140/60R17
REVZ MG TL

Block pattern radial tyre developed for the Yamaha FZ-X motorcycle.

NEW PRODUCT LAUNCH

OFF-THE-ROAD TYRES (OTR)

12.00-24
MUSCLEROK-X PLUS N20 TT

MRK-X Plus is a high NSD Tipper mining truck tyre with higher mileage and puncture resistance and is ideal for harsh mining terrains.

16.00-25
MUSCLEROK E3 N40 TT CHEVRON

MRK- E3 is engineered for 60 tonne off-highway wide body mining trucks with a rugged nylon carcass for heavy loading applications.

EXPORTS

MAKE IN INDIA, MAKE FOR THE WORLD

Exports of tyres grew by a substantial 33% over the previous year with traditional and strong markets of Bangladesh, Philippines, Indonesia, the African continent and the Middle East showing substantial growth across categories. The demand for truck bias, truck radial, and light truck tyres continued to grow reflecting the strong demand and brand equity for MRF tyres. There was a huge surge in demand for MRF Motorcycle tyres across markets like the African region, Bangladesh and Latin American countries. Going forward the demand and preference for MRF tyres will continue while newer markets are explored.

AWARDS AND ACCOLADES

BRAND FINANCE INDIA 10 - 2022

MRF was listed as one of India's 10 strongest brands and comes in at sixth in the ranking after TATA, HDFC, Jio, Amul and LIC.

KANTAR BRANDZ

MRF was ranked No.3 in the non-FMCG category.

CATERPILLAR

Supplier Quality Excellence Process

MARUTI SUZUKI

Part Design and Development.

TATA MOTORS

Ramp-Up Agility

HONDA MOTORCYCLE

Quality Management

MRF'S ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) INITIATIVES

Environment

MRF is committed towards environmental sustainability and with this objective it is adopting renewable raw materials from biomass and thus reducing the share of fossil fuel derived raw material in manufacturing. It is also improving energy efficiency in manufacturing processes through various initiatives. Environmental sustainability is also promoted by the introduction of low-rolling resistance tyres for original equipment manufacturers and the replacement market.

MRF is also working towards optimization of resources and scrap reduction in manufacturing, apart from promoting materials' circularity by facilitating recycling of end-of-life tyres and adopting recycled materials as raw material for new tyres. MRF has robust retreading activity to save precious raw material resources, energy savings and to reduce carbon emissions.

MRF is also endeavoring to improve the share of renewable energy in manufacturing processes in the coming years.

Social

On the social front, MRF has a rich organizational culture rooted in its core values of respect for people. Fairness in dealings with Vendors is one of the cornerstones of MRF's business practices and it endeavors to create products which are value for money for the customers. MRF's CSR activities are directed towards fulfilling the needs of various communities with regard to promotion of education, healthcare and public infrastructure. MRF also supports skill development initiatives for increasing employability of rural youth and also for sports.

Governance

MRF has always adopted high standards of governance. Our business processes are crafted to deliver long term value for investors through prudent fiscal practices and sound business strategy combined with fair disclosure practices.

PAINTS & COATINGS

MRF Vapocure Paints closed the year with a sales turnover of Rs.318 crores, with an impressive value growth of 37%. On a standalone basis, the company posted a Net Profit of 6%. The prices of raw materials continued to increase and the availability of raw materials itself was quite challenging through the year. The business revised prices during the year and the average increase was around 7%.

Two new TV commercials namely "Try-New" and "Extraaa Coverage" were produced and released for select regions and did really well. The "Try-New" campaign also went digital. These campaigns did bring about a good traction for Wall Finishes in our test markets of Tamil Nadu and Kerala.

623 new channel partners were appointed during the year. We also doubled the number of waterbased tinting machines in the market. The greenfield site at Aanambakkam near Chengalpattu started trial production of Solvent Based products.

The business finalized the "Salesforce" platform to launch their CRM which will help the internal Sales Team, Management, Dealers and Paint Contractors in the day-to-day business operations. This initiative will actually help business to speed up and engage more closely with the stakeholders. It is expected to "Go-Live" by Dec 2022.

MOTORSPORT

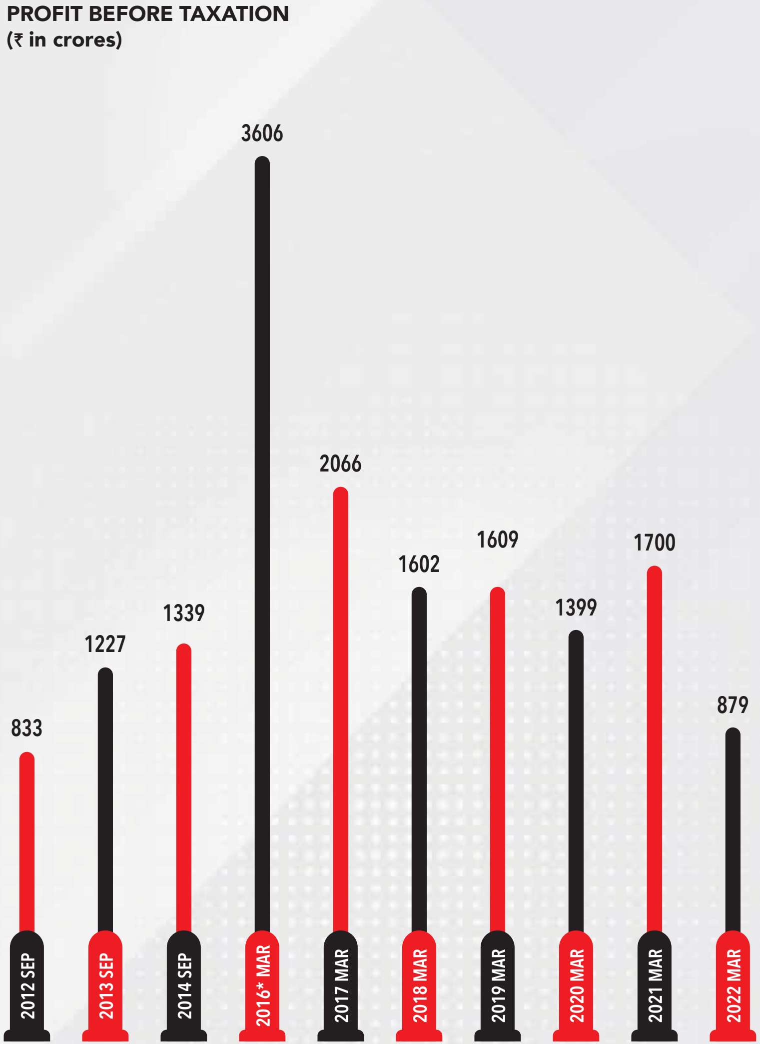
TEAM MRF IN EUROPE

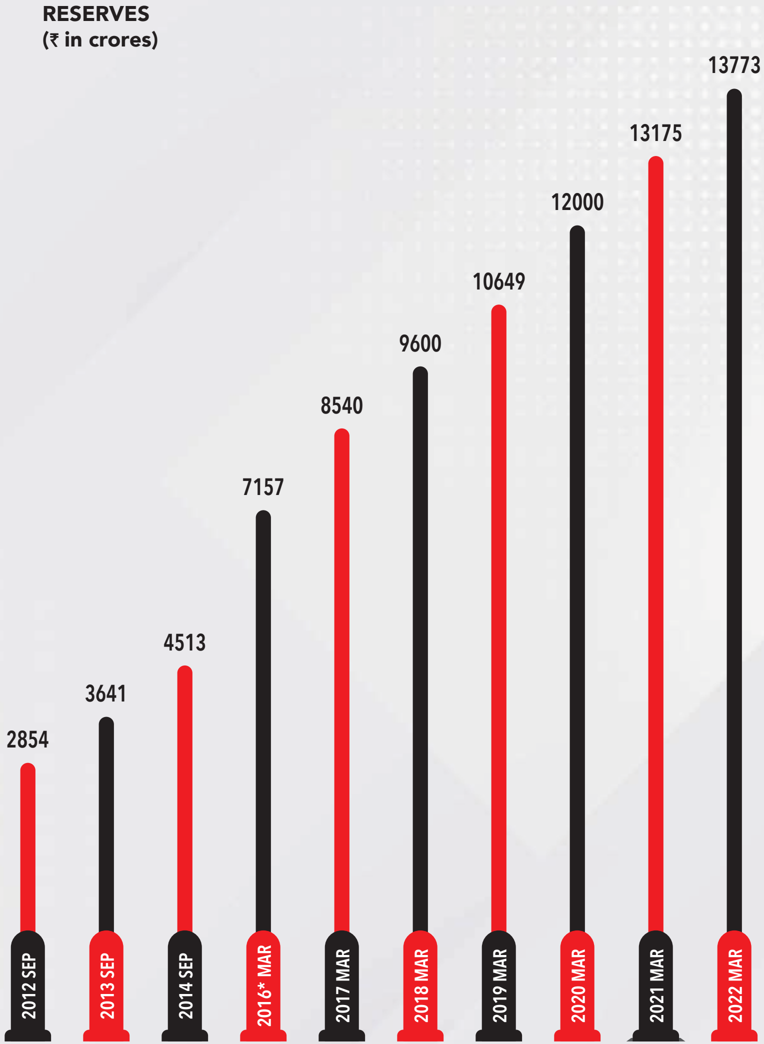
Team MRF Tyres continued its growing presence in the European Rally Championship (ERC) and this yielded rich results with the team coming second in two rounds of the ERC, Rally Leipaja (Latvia) with Craig Breen and in Azores (Portugal) with Dani Sordo. Paolo Andreucci continued his winning streak for MRF Tyres in the Italian National Gravel Championship. These victories were won against stiff competition from International Tyre Brands.

DOMESTIC NATIONAL CHAMPIONSHIPS

The domestic season witnessed high-octane action with the MRF MMSC National Championships in Motorcycle and Car Racing finish a full season in various categories. The 2-wheeler MRF MOGRIP National Rally Championship was held across 6 rounds. The FMSCI Indian National Rally Championship saw Aditya Thakur emerge victorious on MRF Tyres as the National Champion 2021.

RACING AHEAD



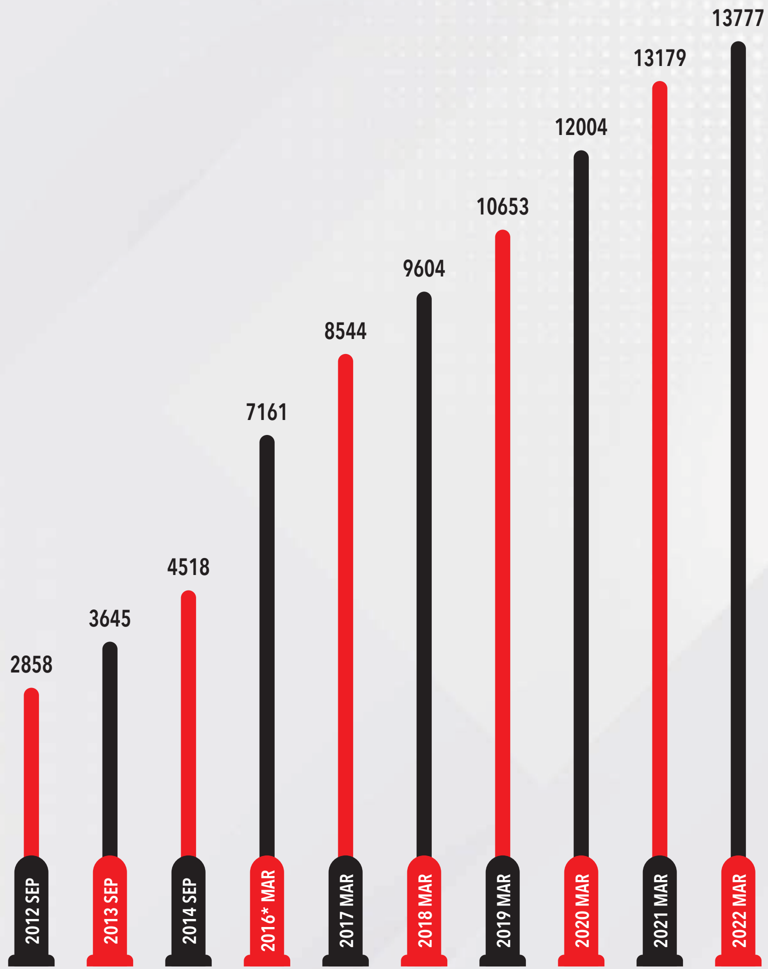


*For the 18 months period ended 31.03.2016

RACING AHEAD

SALES
(₹ in crores)

NET WORTH
(₹ in crores)



*For the 18 months period ended 31.03.2016

BOARD OF DIRECTORS

K.M. MAMMEN
Chairman & Managing Director

ARUN MAMMEN
Vice Chairman & Managing Director

RAHUL MAMMEN MAPPILLAI
Managing Director

SAMIR THARIYAN MAPPILLAI
Whole-Time Director

VARUN MAMMEN
Whole-Time Director

ASHOK JACOB

V. SRIDHAR

VIJAY R. KIRLOSKAR

RANJIT I. JESUDASEN

Dr. SALIM JOSEPH THOMAS

JACOB KURIAN

Dr. CIBI MAMMEN

AMBIKA MAMMEN

VIMLA ABRAHAM

Company Secretary
S. DHANVANTH KUMAR

Auditors
M M NISSIM & CO LLP, Mumbai
MAHESH, VIRENDER & SRIRAM, Hyderabad

Registered Office:
No.114, Greams Road, Chennai - 600 006.

Ten Year Financial Summary		2022	2021	2020	2019	2018	2017	2014-16	2014	2013	2012
₹ Crores	Revenue from Operations	18989	15922	15991	15837	15181	14749	22162	13198	12131	11870
	Other Income	315	207	331	417	329	329	321	65	29	32
	Total Income	19304	16129	16322	16254	15510	15078	22483	13263	12160	11902
	Profit Before Taxation	879	1700	1399	1609	1602	2066	3606	1339	1227	833
	Provision for Taxation	232	451	4	512	510	615	1132	441	425	261
	Profit after Taxation	647	1249	1395	1097	1092	1451	2474	898	802	572
	Share Capital	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24
	Reserves	13773	13175	12000	10649	9600	8540	7157	4513	3641	2854
	Net Worth	13777	13179	12004	10653	9604	8544	7161	4518	3645	2858
	Fixed Assets Gross	16442	15018	14133	10780	9028	7560	6307	6954	5834	5477

BOARD'S REPORT

Your Directors have pleasure in presenting to you the Sixty First Annual Report and the Audited Financial Statements for the financial year ended 31st March, 2022.

Financial Results

₹ Crores

	2021 - 2022	2020-2021
Total Income	19304	16129
Profit before tax	879	1700
Provision for taxation	232	451
Profit for the year	647	1249

Performance Overview

During the financial year ended 31st March, 2022, your Company's total income is ₹ 19304 crores as against ₹ 16129 crores in the previous year. The profit before tax stood at ₹ 879 crores for the year as against ₹ 1700 crores for the previous financial year. The net provision for tax (current tax and deferred tax) for the year is ₹ 232 crores (previous year ₹ 451 crores). After making provision for income tax, the net profit for the year ended 31st March, 2022 is ₹ 647 crores as against ₹ 1249 crores for the previous financial year.

During the year, there was an unprecedented increase in raw material prices. Market conditions, after the pandemic, were not favourable to fully absorb these price increases. Further the operations were also adversely impacted by the uncertainties posed by the COVID 19 pandemic in the early part of the year, issues connected with availability of raw materials and also challenges posed by the Ukranian war towards the end of the year.

There was an overall increase of 18% in tyre production in financial year 2021-2022, with all product groups showing growth.

The Company's exports (including Indian Rupee Exports) stood at ₹ 1779 crores for the financial year ended 31st March, 2022, as against ₹ 1333 crores for the previous year.

As required under regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report is attached and forms part of this Report.

Dividend

Two interim dividends of ₹ 3/- each per share (30% each) for the financial year ended 31st March, 2022 were declared by the Board of Directors on 9th November, 2021 and on 10th February, 2022. The Board of Directors is now pleased to recommend a final dividend of ₹ 144/- (1440%) per share of ₹ 10 each on the paid up equity share capital of the Company, for consideration and approval of the shareholders at the forthcoming Annual

General Meeting of the Company and shall be subject to deduction of Income tax at source. The total dividend for the financial year ended 31st March, 2022 works out to ₹ 150/- (1500%) per share of ₹ 10 each. The above dividend declared by the Company is in accordance with dividend distribution policy of the Company.

The Directors recommend that after considering provision for taxation and the dividend paid during the year, an amount of ₹ 584 crores be transferred to general reserve. With this, the Company's Reserves and Surplus stands at ₹ 13773 crores.

Industrial Relations

Overall, the Industrial Relations in all our Manufacturing Units have been harmonious and cordial. Long Term Settlement has been concluded in Arkonam Plant. Both Production & Productivity were maintained at the desired satisfactory levels throughout the year in all Plants except minor interruption in operations in Tiruvottiyur, Kottayam & Pondicherry due to Covid related issues.

Performance of Subsidiaries

The consolidated financial statements of the Company prepared in accordance with the Companies Act, 2013 and applicable accounting standards form part of the Annual Report. The consolidated financial statements include the financial results of its subsidiary Companies.

Pursuant to the provisions of section 136 of the Companies Act, 2013, the financial statements, consolidated financial statements along with the relevant documents and audited accounts of subsidiaries are available on the website of the Company.

The Company has four subsidiaries viz. MRF Corp Limited, MRF International Limited, MRF Lanka (P) Ltd. and MRF SG PTE. LTD. The aggregate turnover of all four subsidiaries in equivalent Indian Rupees during the financial year ended 31st March, 2022 was ₹ 2378.29 crores and the aggregate profit after tax was ₹ 21.99 crores.

A statement in Form AOC-1, containing the salient features of the financial statements of the Company's subsidiaries is attached with the financial statements. The statement provides details of performance and financial position of each of the subsidiaries.

The contribution of the subsidiaries to the overall performance of the company is given in note 25d of the consolidated financial statements.

During the year under review, your Company has entered into transactions with MRF SG PTE. LTD, a wholly owned subsidiary of your Company for purchase of raw materials and the total value of transactions executed during financial year 2021-2022, exceeded the materiality threshold adopted by the Company. These transactions were in the ordinary course of business and were on an arms length basis, details of which are provided in Annexure IV of the Board's Report as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

Directors' Responsibility Statement

As required under section 134(3)(c) of the Companies Act, 2013, your Directors state that:

a) In the preparation of the annual accounts, the applicable Accounting Standards have been followed and that there are no material departures;

b) They have, in selection of the accounting policies, consulted the statutory auditors and applied them consistently, making 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 year ended 31st March, 2022;

c) Proper and sufficient care has been taken 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) Annual accounts have been prepared on a going concern basis;

e) Internal financial controls had been laid down and followed by the Company and such internal financial controls are adequate and were operating effectively; and

f) Proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and operating effectively.

Risk Management

The company has developed and implemented a detailed risk management policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company as required under the Companies Act, 2013 read with Regulation 21 of the Listing regulations. The Company has constituted a Risk Management Committee of the Board comprising of executive directors and an independent director of the Company as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee reviews the risk management initiatives taken by the Company on a half yearly basis and evaluate its impact and the plans for mitigation. During the year the Committee met on 22nd September, 2021 and 14th March, 2022.

Adequacy of Internal Financial Control

Internal financial control means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, timely prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. The Company has put in place well defined procedures, covering financial and operating functions. Delegation of authority and segregation of duties are also addressed to ensure that the financial transactions are properly authorized. Further the Company has an integrated ERP system connecting head office, plant and other locations to enable timely processing and proper recording of transactions. Physical verification of fixed assets is carried out on a periodical basis. The Internal audit department reviews the effectiveness of the internal control systems and key observations are reviewed by the Audit Committee. These, in the view of the Board, are designed to collectively provide an adequate system of internal financial control with reference to the financial statements commensurate with the size and nature of business of the Company.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information as required to be given under section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is provided in Annexure I, forming part of this Report.

Corporate Social Responsibility (CSR)

As required under section 135 of the Companies Act, 2013, the CSR Policy was formulated by the CSR Committee and thereafter approved by the Board. CSR Policy is available on the Company's website : https://www.mrftyres.com/shareholder-info. The details of the CSR initiatives undertaken during the financial year ended 31st March, 2022 and other details required to be given under section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended are given in Annexure II forming part of this Report.

Board and Key Management Personnel

During the year under review, there was no change in the composition of the Board of Directors and Key Managerial Personnel of the Company.

As required under Section 152 of the Companies Act, 2013, Mr. Rahul Mammen Mappillai (DIN: 03325290), Managing Director and Dr (Mrs) Cibi Mammen (DIN: 00287146), Director of the Company, retire by rotation at the forthcoming Annual General Meeting and being eligible have offered themselves for re-appointment.

The Company has received declarations of independence from all the Independent Directors confirming that they meet the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that they are independent from Management.

The Board is of the opinion that all the Independent Directors of the Company are person's of integrity and possess relevant expertise and experience (including the proficiency) to act as Independent Directors of the Company. The Independent Directors of the Company have confirmed that they have registered with the Indian Institute of Corporate Affairs, Manesar and have included their name in the databank of Independent Directors within the statutory timeline as required under Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Performance evaluation of the Board, its Committees and Directors

The Board of Directors has made a formal annual evaluation of its own performance and that of its committees pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The evaluation was done based on the evaluation criteria formulated by Nomination and Remuneration Committee which includes criteria such as fulfilment of specific functions prescribed by the regulatory framework, adequacy of meetings, attendance and effectiveness of the deliberations etc.

The Board also carried out an evaluation of the performance of the individual Directors (excluding the Director who was evaluated) based on their attendance, participation in deliberations, understanding the Company's business and that of the industry and in guiding the Company in decisions affecting the business and additionally in case of Independent Directors based on the roles and responsibilities as specified in Schedule IV of the Companies Act, 2013 and fulfilment of independence criteria and independence from management.

Corporate Governance

In accordance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance along with the Auditors' Certificate confirming compliance is attached and forms part of this Report.

Following information required to be disclosed as per the Companies Act, 2013 are set out in the Corporate Governance Report:

a) Number of Board meetings held - Para 2(c) of the Corporate Governance Report.

b) Constitution of the Audit Committee and related matters - Para 3(ii) and 14(o) of the Corporate Governance Report.

c) Remuneration Policy of the Company (including directors remuneration)- Para 7a of the Corporate Governance Report.

d) Company's policy on directors' appointment including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 - Para 5, 6 of the Corporate Governance Report. The nomination and remuneration policy is also available on the website of the Company. https://www.mrftyres.com/downloads/download.php?filename=nominatio-%20and-remuneration-policy.pdf

e) Related Party Transactions -Para 14(a) of the Corporate Governance Report.

f) Vigil Mechanism - Para 14 (c) of the Corporate Governance Report.

The details of related party transactions are given in note 27d of the financial statements.

Business Responsibility Report

Business Responsibility Report as per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, detailing the various initiatives taken by the Company on the environment, social and governance aspects of business, forms part of this Annual Report.

Particulars of Employees

The disclosures pertaining to remuneration and other details of Directors and employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have been provided in the appendix forming part of this report. Having regard to the provisions of Section 136(1) read with relevant provisions of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished to the members.

During the financial year under review, the Company has not received any complaint under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Further, Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Deposits

Your Company had discontinued acceptance of fixed deposits with effect from 31st March, 2019 and all deposits have been repaid. No fresh deposits have been accepted subsequently.

Auditors

Messrs Mahesh, Virender & Sriram, Chartered Accountants, (Firm Regn. No. 001939S), Hyderabad and Messrs M M NISSIM & CO LLP, Chartered Accountants, (Firm Regn No. 107122W), Mumbai were appointed joint statutory auditors of the Company for a term of 5 (five) consecutive years, at the Annual General Meeting (AGM) of the company held on 4th August, 2017 and 12th August, 2021 respectively.

Messrs. Mahesh, Virender & Sriram, Chartered Accountants will complete their present term on conclusion of this AGM in terms of the said approval and as per Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

Messrs. Mahesh, Virender & Sriram, Chartered Accountants have expressed their intention not to seek reappointment as Joint Statutory Auditor of the Company on conclusion of the present term vide their letter dated 25th April, 2022 addressed to the Audit Committee and to the Board of Directors of the Company. The Audit Committee and the Board of Directors at their meeting held on 10th May, 2022 took note of the above and accepted their request.

The Board of Directors of the Company at its meeting held on 10th May, 2022 on the basis of the recommendations of the Audit Committee, recommended for the approval of the Members, the appointment of Messrs. Sastri & Shah, Chartered Accountants (Firm Regn No.: 003643S), Chennai as the Joint Statutory Auditors of the Company, for a period of 5 (five) consecutive financial years from the conclusion of this AGM till the conclusion of the Sixty Sixth AGM on remuneration, terms and conditions as may approved by the Board.

The proposal for appointment of Messrs. Sastri & Shah, Chartered Accountants, as Joint Statutory Auditor of the Company is listed as an item in the Notice convening the forthcoming Annual General Meeting of the Company, for necessary approval of the shareholders.

Auditors Report to the shareholders for the financial year ended 31st March, 2022, does not contain any qualification.

Cost Audit

The Board of Directors, on the recommendations of the Audit Committee, has approved the re-appointment of Mr. C. Govindan Kutty, Cost Accountant (Mem. No. 2881), as Cost Auditor of the Company for the financial year ending 31st March, 2023, under section 148 of the Companies Act, 2013, and recommends ratification of his remuneration by the shareholders at the forthcoming Annual General Meeting of the Company.

Secretarial Audit

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company engaged the services of Mr K Elangovan, Elangovan Associates, Company Secretaries, Chennai to conduct the Secretarial Audit of the Company for the financial year ended 31st March, 2022. The Secretarial Audit Report (in Form MR-3) is attached as Annexure-III, to this Report. The Secretarial Auditor's Report to the shareholders does not contain any qualification.

Annual Return

The Annual Return as required under Section 92 and Section 134 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the Company's website: www.mrftyres.com. Weblink : https://www.mrftyres.com/downloads/download.php?filename=Form-MGT-7-for-the-financial-year-ended-31st-March,2022.pdf

Other Matters

There are no material changes and commitments affecting the financial position of the Company between the financial year ended 31st March, 2022 and the date of this report.

During the year under review, there were no material and significant orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

However, the Competition Commission of India has on 2nd February, 2022 released its order dated 31st August,2018, imposing penalty of Rs 622.09 Crores on the Company for breach of provisions of the Competition Act, 2002 during the year 2011-2012. The Company has filed an appeal before the National Company Law Appellate Tribunal [NCLAT]. The Company believes that the order of the Commission is not based on a proper appreciation of facts and law.

Details of investments as required under section 134 of the Companies Act, 2013 is given in note 3 to the financial statements.

During the year under review, the Board confirms that the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

During the year under review, no fraud has been reported by the auditors to the audit committee or the board.

During the year under review, there is no change in the nature of business of your Company.

As regards Cost Audit Records, it is confirmed that the Company is covered by Cost Audit Records Rules under section 148(1) of the Companies Act, 2013 and accordingly, such accounts and all relevant records are maintained by the Company.

Appreciation

Your Directors place on record their appreciation of the invaluable contribution made by the Company's employees which made it possible for the Company to achieve these results. They would also like to take this opportunity to thank customers, dealers, suppliers, bankers, financial institutions, business associates and valued shareholders for their continued support and encouragement.

On behalf of the Board of Directors

Chennai
10th May, 2022

K M MAMMEN
Chairman & Managing Director
DIN: 00020202

ANNEXURE I TO THE BOARD'S REPORT

A. CONSERVATION OF ENERGY

Energy Conservation is a key focus area for the manufacturing plants and related functions and we have undertaken a continuous improvement program to reduce specific consumption of fuel, power and water. Benchmarking of best performance, base lining of best consumption and identification of losses is considered for setting targets. Energy monitoring system data is analysed to arrive at improvements. Focus on renewable energy, alternate fuels and clean sources of energy are being evaluated for immediate and future requirements.

(i) The steps taken or impact on energy conservation:

The following measures were implemented to reduce specific fuel consumption:

a) Monitoring and correction of steam leaks in plants to reduce the steam consumption.

b) Revision of targets based on best shift energy consumption from energy monitoring system.

c) Increased use of nitrogen based cure process to minimise the process energy requirement.

d) Optimisation of process steam requirement by modifying the process pipe lines.

e) Analysing data from energy monitoring system for faster identification of abnormalities and corrective actions.

f) Waste heat recovery system from process to improve steam generation efficiency.

g) Replacement of existing old steam traps with energy efficient steam traps.

The following measures were implemented to reduce specific power consumption:

a) Monitoring and correction of air leaks in plants to reduce the compressor energy.

b) Optimized scheduling of production equipments to avoid equipment idle time to reduce the specific energy.

c) Installation of energy efficient fans at shop floor and office buildings to reduce the power consumption.

d) Replacement of induction lights with LED lights.

e) Conversion of pneumatic based system to hydraulic based system to reduce the compressor energy.

f) Replacement of old cooling pumps with new energy efficient cooling pumps.

g) Ensuring running of energy efficient compressors in the system.

(ii) Steps taken by Company to increase utilization/ alternate source of energy:

a) Coal fired boilers as replacement for furnace oil boilers.

b) Sourcing of power from renewable energy and clean fuels.

c) Evaluation of solar power plants is under consideration.

d) Evaluation of gas based steam generation in place of furnace oil.

(iii) Capital Investment on energy conservation projects:

Investments have been carried out for energy conservation proposals resulting in long term saving impact and reduction of losses in the system.

Key projects initiated are listed below:

a) Extention of nitrogen system to reduce the energy consumption.

b) Optimisation of process steam and power consumption by process changes.

c) Programmable Logic Controller (PLC) based control system for evacuating hot air from the process.

d) Conversion of pneumatic based system to hydraulic based system to reduce the compressor energy.

e) Implementation of plant efficiency monitoring system to display and monitoring of Energy performance.

Key on-going proposals are as listed below:

a) Recycling of waste water from effluent treatment plant and sewage treatment plant to reuse in process.

b) Introduction of solar based power generation plant.

c) Replacement of furnace oil based steam generation with alternate gas based fuels.

d) Identifying lower specific energy consuming machines and utilizing to maximum level to reduce total energy consumption.

e) Increased rain water recovery to optimise the sourcing water requirement.

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATIONS

1. Efforts made towards technology absorption, adaptation and innovation:

a. Joint R&D with Indian and foreign universities and research institutes:

Towards continued excellence in tyre technology, in addition to a robust in-house R&D programme, we have collaborative R&D projects with institutions of eminence in India and abroad (including Ph.D programs and consultancy projects). The projects involve a comprehensive scientific understanding of the various materials' interfaces in tyres, materials and design parameters on noise-vibration- harshness (NVH), exploration of new and sustainable (bio-derived) materials, and nano and nano structured materials with the overall stated goal of the company to continuously advance green and sustainable tyre technology. The joint R&D programs result in Ph.Ds, international publications and patents.

b. New product and material development, elimination of hazardous materials, etc.:

To improve the sustainability, your company is working on the multipronged 4R strategy, that is reduce (by reduction in CO_2 emission by low RR tyres) – recycle (promoting recycled materials from end-of-life tyres as raw materials for new tyres) – reuse (by making multiple re-treadable tyres and doing the retreading process) and renewable (by promoting critical tyre raw materials from environmentally sustainable sources such as biomass, waste materials, etc.).

Towards import substitution, we have initiated joint development programs for raw materials such as sulphur, resource-formaldehyde resin, emulsion SBR, butyl rubber, micro crystalline wax, super tackifier resin, etc., with domestic suppliers.

c. Key product developments:

Your company has adopted sustainability as our main goal and protecting the environment is key to achieve the goal. We have improved the share of sustainable raw materials in tyres. To meet the emission norms under R117 and AIS 142 standards, we developed several low RR tyres which were approved by Indian and global passenger car OEMs. Similar activities are underway in tyres for commercial vehicles' segment as well.

2. Benefits derived as a result of the above efforts:

Development of low rolling resistance tyres with an increased share of renewable materials (without compromise in grip) will improve the carbon footprint, thus contributing to the overall sustainability goal.

Material group has embarked on attaining import substitution of raw materials such as resins, rubber, wax, process aids, etc., which will eventually result in their sourcing from local sources with cost-saving.

3. Details of imported technology (imported during last 3 years reckoned from the beginning of the financial year).

No technology was imported during the last 3 years and MRF is self-reliant on tyre technology for several decades.

4. Expenditure incurred on Research and Development:

	(₹ Crores)
	2021-2022
R & D Expenses	
(a) Capital (including Buildings)	6.71
(b) Recurring	95.62

C. FOREIGN EXCHANGE EARNINGS & OUTGO

	(₹ Crores)
	2021-2022
Foreign Exchange Earnings	1565.04
Foreign Exchange Outgo	4253.16

On behalf of the Board of Directors

K M MAMMEN
Chairman & Managing Director
DIN: 00020202

Chennai
10th May, 2022.

ANNEXURE II TO THE BOARD'S REPORT

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR ENDED 31ST MARCH, 2022

1. Brief outline on CSR Policy of the Company:

   The CSR activities carried out by the Company are in accordance with the CSR Policy, as formulated by the CSR Committee and approved by the Board. The broad objectives, as stated in the CSR Policy, includes supporting causes concerning healthcare, education, rural development, provide safe drinking water, skill development, sports training, disaster management and environmental protection.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. K M Mammen	Chairman & Managing Director & Chairman of CSR Committee	4	4
2	Mr. Arun Mammen	Vice Chairman & Managing Director & Member of CSR Committee	4	4
3	Mr. Rahul Mammen Mappillai	Managing Director & Member of CSR Committee	4	4
4	Mr. Ranjit I Jesudasen	Independent Director & Member of CSR Committee	4	4

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company : https://www.mrftyres.com/shareholder-info.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

   As per Rule 8(3) of the Companies (CSR Policy) Rules, 2014, effective 22nd January, 2021, impact assessment is required to be undertaken for CSR projects with outlays of minimum ₹ 1 Crore and which have been completed not less than 1 year before undertaking impact assessment. Accordingly Impact assessment for the CSR projects undertaken during financial year 2021-2022 with outlay of ₹ 1 Crore and above will be undertaken after completion of one year i.e., during financial year 2022-2023 and reported in the CSR Annual report for financial year 2022-2023.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set off from preceding financial years (in Lakhs)	Amount required to be set off for the financial year, if any (in Lakhs)
Not Applicable			

6. Average net profit of the company as per section 135(5) : ₹ 16,96,20,46,471

7. (a) Two percent of average net profit of the company as per section 135(5) : ₹ 33,92,40,929

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Not Applicable

   (c) Amount required to be set off for the financial year, if any : Not Applicable

   (d) Total CSR obligation for the financial year (7a+7b-7c) : ₹ 33,92,40,929

8 (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount (in ₹)	Date of transfer	Name of the Fund	Amount	Date of Transfer
17,61,84,943	16,30,55,986	27-04-2022	NIL	NIL	NIL

(b) Details of CSR amount spent against ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/ No)	Location of the Project		Project duration	Amount allocated for the project (in ₹)	Amount spent in current FY (in ₹)	Amount transferred to unspent CSR account for the project as per Sec 135 (6) (in ₹)	Mode of implementation -Direct (yes/ No)	Mode of implementation - Through implementing agency	
				State	District						Name	CSR Reg. No
1.	Construction of Zilla Parishad High School, Telangana	Promoting Education	Yes	Telangana	Karim Nagar	6 months	4,00,00,000	50,00,000	3,09,15,986	No	MRF Foundation	CSR00001396
2.	MCC MRF Innovation Park at Chennai - Phase 1	Promoting Education	Yes	Tamil Nadu	Chengalpattu	18 months	26,09,00,000	50,60,000	13,21,40,000	No	MRF Foundation	CSR00001396
						Total	**30,09,00,000**	**1,00,60,000**	**16,30,55,986**			

(c) Details of CSR amount spent against other than on-going projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the Project		Amount spent for the project (in ₹)	Mode of implementation -Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Reg. No
1.	Contributions to "Tamil Nadu State Disaster Management Authority" for COVID relief	Disaster management including relief, rehabilitation and reconstructive activities	Yes	Tamil Nadu	Chennai	4,00,00,000	No	MRF Foundation	CSR00001396
2.	Supply of 40 KVA Generator to Government Hospital, Arakonam	Disaster management including relief, rehabilitation and reconstructive activities	Yes	Tamil Nadu	Ranipet	5,60,035	No	MRF Foundation	CSR00001396
3.	Supply of Face Mask, Sanitizers, Hand Gloves & Face Shield to Police personnel who are deployed in Covid duty in Arakonam	Disaster management including relief, rehabilitation and reconstructive activities	Yes	Tamil Nadu	Ranipet	54,811	No	MRF Foundation	CSR00001396

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the Project		Amount spent for the project (in ₹)	Mode of implementation -Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Reg. No
4.	Construction of Basketball Court in Police Headquarters, Bharuch District	Promotion of Sports	Yes	Gujarat	Bharuch	17,69,924	No	MRF Foundation	CSR00001396
5.	Providing Sanitary Napkin Vending Machine and Incinerator	Promoting Healthcare	Yes	Goa	South Goa	1,57,146	No	MRF Foundation	CSR00001396
6.	Providing Ambulance Service in Primary Health Center, Balli, Goa	Promoting Healthcare	Yes	Goa	South Goa	13,89,952	No	MRF Foundation	CSR00001396
7.	Providing 500 kg per day Wet Waste Compositing System	Ensuring Environmental Sustainability and Ecological Balance	Yes	Goa	South Goa	20,96,085	No	MRF Foundation	CSR00001396
8.	Providing Oxygen Concentrator to the Medical Department, Goa	Disaster management including relief, rehabilitation and reconstructive activities	Yes	Goa	North Goa	6,04,800	No	MRF Foundation	CSR00001396
9.	Supplying of Fingertip Oxymeters to Kottayam Panchayat	Disaster management including relief, rehabilitation and reconstructive activities	Yes	Kerala	Kottayam	10,00,000	No	MRF Foundation	CSR00001396
10.	Construction of Grama Panchayat Building in Suraram Village	Rural Development	Yes	Telangana	Sangareddy	25,74,362	No	MRF Foundation	CSR00001396
11.	CC TV Cameras in Suraram Village in Telangana	Promoting Education	Yes	Telangana	Sangareddy	19,88,241	No	MRF Foundation	CSR00001396
12.	Setting up of a Temporary COVID Isolation Centre at Sadasivapet	Disaster management including relief, rehabilitation and reconstructive activities	Yes	Telangana	Sangareddy	17,33,945	No	MRF Foundation	CSR00001396
13.	Mask & Oxygen Concentrators for COVID in Puducherry	Disaster management including relief, rehabilitation and reconstructive activities	Yes	Puducherry	Puducherry	32,51,588	No	MRF Foundation	CSR00001396
14.	Providing apparels to Covid volunteers deployed for the lock down management.	Disaster management including relief, rehabilitation and reconstructive activities	Yes	Puducherry	Puducherry	1,38,600	No	MRF Foundation	CSR00001396
15.	Supply of Oxygen Concentrators to Hospitals in Perambalur	Disaster management including relief, rehabilitation and reconstructive activities	Yes	Tamil Nadu	Perambalur	30,24,000	No	MRF Foundation	CSR00001396
16.	Provision of Medical Equipment to General Hospital-Tiruvottiyur	Promoting Healthcare	Yes	Tamil Nadu	Chennai	13,84,639	No	MRF Foundation	CSR00001396
17.	Provision of Medical Equipment to Urban Community Health Centre - Tiruvottiyur	Promoting Healthcare	Yes	Tamil Nadu	Chennai	2,67,612	No	MRF Foundation	CSR00001396

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the Project		Amount spent for the project (in ₹)	Mode of implementation -Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Reg. No
18.	Mass Vaccination Drive against COVID in Bharuch.	Disaster management including relief, rehabilitation and reconstructive activities	Yes	Gujarat	Bharuch	10,99,020	No	MRF Foundation	CSR00001396
19.	Providing Dialysis Machine to Paret Mar Ivanios Hospital, Puthupally	Promoting Healthcare	Yes	Kerala	Kottayam	6,04,800	No	MRF Foundation	CSR00001396
20.	Aiding COVID help desk in Kottayam by providing SMART mobile phones for virtual classes by Department of Education, Government of Kerala	Disaster management including relief, rehabilitation and reconstructive activities	Yes	Kerala	Kottayam	4,90,000	No	MRF Foundation	CSR00001396
21.	Setting up of Oxygen Plant for patients in COVID care Centers in Sangareddy District.	Disaster management including relief, rehabilitation and reconstructive activities	Yes	Telangana	Sangareddy	64,20,919	No	MRF Foundation	CSR00001396
22.	Development of Health Infrastructure at Kolakkanatham, Perambalur	Promoting Healthcare	Yes	Tamil Nadu	Perambalur	2,91,267	No	MRF Foundation	CSR00001396
23.	Providing 15 KVA Genset for uninterrupted power supply to maintain vaccine cold chain	Disaster management including relief, rehabilitation and reconstructive activities	Yes	Tamil Nadu	Perambalur	3,49,022	No	MRF Foundation	CSR00001396
24.	CCTVs and ANPR Cameras for Police Department, Washermanpet, Tiruvottiyur Range	Promoting Education	Yes	Tamil Nadu	Chennai	4,56,348	No	MRF Foundation	CSR00001396
25.	Distribution of food grains to local residents of Tiruvottiyur during COVID pandemic	Disaster management including relief, rehabilitation and reconstructive activities	Yes	Tamil Nadu	Chennai	14,98,500	No	MRF Foundation	CSR00001396
26.	Providing Inverter facility to Primary Health Centre, Nettapakkam	Promotion of Healthcare	Yes	Puducherry	Puducherry	53,522	No	MRF Foundation	CSR00001396
27.	Providing Water Purifier for public use in Taluk office, Bahour	Making available safe drinking water	Yes	Puducherry	Puducherry	30,090	No	MRF Foundation	CSR00001396
28.	Providing rice bags to poor and needy people in Tiruvottiyur	Disaster management including relief, rehabilitation and reconstructive activities	Yes	Tamil Nadu	Chennai	3,00,000	No	MRF Foundation	CSR00001396
29.	Providing relief materials to poor and needy people in view of incessant rains in Chennai	Disaster management including relief, rehabilitation and reconstructive activities	Yes	Tamil Nadu	Chennai	5,99,500	No	MRF Foundation	CSR00001396
30.	Providing 50 seater Bus for school going girl students in the tribal area of Bharuch District, Gujarat	Promoting Education	Yes	Gujarat	Bharuch	23,28,300	No	MRF Foundation	CSR00001396

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the Project		Amount spent for the project (in ₹)	Mode of implementa-tion -Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Reg. No
31.	Construction of Kitchen Building in Siddipet Police Welfare Building	Rural Development	Yes	Telangana	Siddipet	76,64,564	No	MRF Foundation	CSR00001396
32.	Public Park for Arkonam residents	Rural Development & Ensuring Environmental Sustainability	Yes	Tamil Nadu	Ranipet	26,11,997	No	MRF Foundation	CSR00001396
33.	Provide Computers, other electronic gadgets, Furnitures, Toilet facility and Borewell for Government Higher Secondary School, Kumbinipet	Promoting Education	Yes	Tamil Nadu	Ranipet	10,30,985	No	MRF Foundation	CSR00001396
34.	Tree planting in Rahiyad Village, Bharuch, Gujarat	Ensuring Environmental Sustainability	Yes	Gujarat	Bharuch	68,09,873	No	MRF Foundation	CSR00001396
35.	Pantry, Kitchen and Toilet construction in Panchayat Office, Usgao, Goa	Rural Development	Yes	Goa	South Goa	13,49,997	No	MRF Foundation	CSR00001396
36.	Teaching Aids & Sports Equipment to Schools - 1. Govt. High school, Ganjem, 2. Vidhya Vardhini Educational Society School, 3. New English High School, Goa	Promoting Education	Yes	Goa	South Goa	19,96,196	No	MRF Foundation	CSR00001396
37.	Providing Mask, Gloves, Sanitizer to Medical Department	Disaster management including relief, rehabilitation and reconstructive activities	Yes	Goa	South Goa	18,398	No	MRF Foundation	CSR00001396
38.	Construction of Science Lab and Toilet Block for Government High School, Kottayam	Promoting Education	Yes	Kerala	Kottayam	9,10,291	No	MRF Foundation	CSR00001396
39.	Construction of Class Rooms in Government Junior College, Sadasivapet	Promoting Education	Yes	Telangana	Sangareddy	1,01,13,742	No	MRF Foundation	CSR00001396
40.	Providing of Mask, Sanitizer, Dettol in Medak	Disaster management including relief, rehabilitation and reconstructive activities	Yes	Telangana	Sangareddy	84,000	No	MRF Foundation	CSR00001396
41.	Refurbishment of Lawn Tennis Court	Promotion of Sports	Yes	Puducherry	Puducherry	46,847	No	MRF Foundation	CSR00001396
42.	Providing Medical Equipment and materials for COVID care	Disaster management including relief, rehabilitation and reconstructive activities	Yes	Puducherry	Puducherry	98,614	No	MRF Foundation	CSR00001396
43.	Providing pre-fabricated female rest room, wash basins, related water and sewage provisions	Promotion of Sanitation	Yes	Tamil Nadu	Perambalur	5,22,413	No	MRF Foundation	CSR00001396
44.	Planting trees in nearby Perambalur District	Promoting Environmental sustainability	Yes	Tamil Nadu	Perambalur	3,24,185	No	MRF Foundation	CSR00001396

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the Project		Amount spent for the project (in ₹)	Mode of implementa-tion -Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Reg. No
45.	Beds for COVID Patients in Perambalur Hospitals	Disaster management including relief, rehabilitation and reconstructive activities	Yes	Tamil Nadu	Perambalur	22,500	No	MRF Foundation	CSR00001396
46.	Equipments for school (Jaigopal Garodia Govt. High School)	Promoting Education	Yes	Tamil Nadu	Chennai	73,160	No	MRF Foundation	CSR00001396
47.	EPABX with accessories to Rajiv Gandhi Government General Hospital, Chennai	Promoting Healthcare	Yes	Tamil Nadu	Chennai	15,90,222	No	MRF Foundation	CSR00001396
48.	Toilet facilities for boys, girls & staff in Panchayat Union Primary School, Ameerpet, Arkonam	Promoting Education	Yes	Tamil Nadu	Ranipet	58,222	No	MRF Foundation	CSR00001396
49.	Providing Modernized Instruments and Equipments to Government Hospital	Disaster management including relief, rehabilitation and reconstructive activities	Yes	Tamil Nadu	Ranipet	18,031	No	MRF Foundation	CSR00001396
50.	Supply of pedestal fans and electrical kettle to the Government Hospital at Margao	Disaster management including relief, rehabilitation and reconstructive activities	Yes	Goa	South Goa	18,140	No	MRF Foundation	CSR00001396
51.	Toilets and Urinals for Government High School, Kalmandapam	Promoting Education	Yes	Puducherry	Puducherry	11,98,173	No	MRF Foundation	CSR00001396
52.	Refurbishment of Paddy Thrashing Concrete Floor	Rural Development	Yes	Puducherry	Puducherry	8,55,500	No	MRF Foundation	CSR00001396
53.	Development and maintenance of the Garden in Puducherry	Promoting Education	Yes	Puducherry	Puducherry	3,00,000	No	MRF Foundation	CSR00001396
54.	Construction of Government High School, Mittapet	Promoting Education	Yes	Tamil Nadu	Ranipet	2,20,773	No	MRF Foundation	CSR00001396
55.	Providing RO plant for potable and safe drinking water to 3 villages	Making available safe drinking water	Yes	Telangana	Sangareddy	4,83,977	No	MRF Foundation	CSR00001396
56.	Providing ICU beds to CMC Hospital, Kannigapuram, Vellore	Disaster management including relief, rehabilitation and reconstructive activities	Yes	Tamil Nadu	Vellore	19,12,780	No	MRF Foundation	CSR00001396
57.	Preventive care and Antenatal mini camps for tribals	Promoting Healthcare	No	Tamil Nadu	Dharmapuri	2,50,000	No	MRF Foundation	CSR00001396
58.	Providing Oxygen and Oxygen Delivery Equipment to the Health Department in Ranipet District	Disaster management including relief, rehabilitation and reconstructive activities	Yes	Tamil Nadu	Ranipet	16,18,710	No	MRF Foundation	CSR00001396

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the Project		Amount spent for the project (in ₹)	Mode of implementa-tion -Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Reg. No
59.	CCTV Cameras in Arakonam and Ranipet Sub Divisions	Promoting of Education	Yes	Tamil Nadu	Ranipet	12,32,868	No	MRF Foundation	CSR00001396
60.	Supply of Computer & Printer for Commune Panchayat	Rural Development	Yes	Puducherry	Puducherry	1,25,989	No	MRF Foundation	CSR00001396
61.	Construction of new Road U-Turn near Suranam Village junction in Medak	Rural Development	Yes	Telangana	Sangareddy	37,31,000	No	MRF Foundation	CSR00001396
62.	Construction of new Building for Sai Nursing Institute, Sanquelim, Goa	Promoting of Education	Yes	Goa	North Goa	5,00,000	No	MRF Foundation	CSR00001396
63.	Supply of Barricades for Police personnel at Usgao Panchayat, Goa	Rural Development	Yes	Goa	South Goa	3,75,063	No	MRF Foundation	CSR00001396
64.	Providing training to fast bowlers through MRF Pace Foundation	Training for Sports	Yes	Tamil Nadu	Chennai	2,02,65,542	No	MRF Foundation	CSR00001396
65.	Training for under privileged youngsters to become commercial drivers through MRF Institute of Driver Development	Vocational Skill Development	Yes	Tamil Nadu	Chennai	1,42,58,632	No	MRF Foundation	CSR00001396
				Total Spent		15,92,08,412			

(d) Amount spent in Administrative Overheads : ₹ 69,16,531

(e) Amount spent on Impact Assessment, if applicable : Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 17,61,84,943

(g) Excess amount for set off, if any :

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	33,92,40,929
(ii)	Total amount spent for the Financial Year	17,61,84,943
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of Transfer	
Not Applicable for the financial year 2021-2022							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	**Project ID.**	**Name of the Project.**	**Financial Year in which the project was commenced**	**Project duration**	**Total amount allocated for the project (in ₹)**	**Amount spent on the project in the reporting Financial Year (in ₹)**	**Cumulative amount spent at the end of reporting Financial Year (in ₹)**	**Status of the project - Completed/Ongoing.**
Not applicable for the Financial Year 2021-2022								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

Sl. No	Details of the Project	Date of Creation/ Acquisition of Capital Assets	Amount of CSR spent for creation/ acquisition of Assets (In ₹)	Details of Entity or Public Authority or Beneficiary under whose name such Capital Asset is registered and their address	Details of the Capital Asset including complete address where it is located
1.	Supply of 40 KVA Generator to Govt. Hospital, Arakonam.	Nov-21	5,60,035	Chief Civil Surgeon and Chief Medical Officer, Govt. Hospital, Arakonam- PIN - 631001, Ranipet District	40 KVA Generator at Government Hospital, Arakonam, PIN - 631001, Ranipet District
2.	Construction of Basketball court in Police Headquarters, Bharuch District	Feb-22	17,69,924	Office of Superintendent of Police, Kali Talavdi, Bambakhana, Bharuch - PIN -392001, Gujarat.	Basket Ball Court at SP Office Compound, Kali Talavdi, Bambakhana, Bharuch, PIN -392001, Gujarat.
3.	Providing Sanitary Napkin Vending Machine and Incinerator	Nov-21	1,57,146	Government Industrial Training Institute, Farmagudi, Ponda, Goa, PIN - 406401	Sanitary Napkin vending machine at Government Industrial training institute, Farmagudi, Ponda, Goa, PIN - 406401
4.	Providing Ambulance in Primary Health Center, Balli, Goa	Aug-21	13,89,952	Director of Health Services, Primary Health Centre, Balli, Goa. PIN - 403001	Ambulance Vehicle to Director of Health Services, Primary Health Centre, Balli, Goa. PIN - 403001
5.	Providing 500 kg per day wet Waste Compositing System	Sep-21	20,96,085	The Sarpanch, Village Panchayat office, Usgao, Goa PIN - 403406	Waste composting system at Village Panchayat office, Usgao, Goa, PIN - 403406
6.	Providing Oxygen Concentrators for COVID relief.	Jun-21	6,04,800	Rotary club of Panaji Mid-Town, Panaji, Goa., PIN - 403001	Oxygen Concentrators to the Rotary Club of Panaji Mid-town, Panaji, Goa, PIN - 403001
7.	Supplying of Fingertip Oxymeters to Kottayam Panchayat	Jun-21	10,00,000	The President, District Panchayat, Collectorate PO, Kottayam, PIN - 686002	Fingertip Oxymeters given to The President, District Panchayat, Kottayam, PIN - 686002
8.	Construction of Grama Panchayat Building in Suraram Village	Feb-22	25,74,362	Sarpanch, Gram Panchayat Office Building, Suraram Village, Sadasivapet Mandal, Sangareddy District, Telangana State, PIN -502291	Office Building at Gram Panchayat Office Building, Suraram Village, Sadasivapet Mandal, Sangareddy District, Telangana State, PIN - 502291
9.	CC Cameras in Suraram Village in Telangana	Aug-21	19,88,241	Sarpanch, Gram Panchayat Office Building, Suraram Village, Sadasivapet Mandal, Sangareddy District, Telangana State, PIN - 502291	CCTV Cameras in and around the Suranam Village upto National High way, in Sangareddy district, Telangana State, PIN - 502291
10.	Oxygen Concentrators for COVID patients	Jun-21	32,51,588	The Secretary- Health, Government of Puducherry, Puducherry, PIN -605001	Oxygen Concentrators to The Secretary- Health, Government of Puducherry, Puducherry, PIN - 605001
11.	Supply Oxygen Concentrators to Hospitals.	Jun-21	30,24,000	Deputy Director of Health Services, Old Eye Hospital Complex, 4 Road, Thuraimangalam, Perambalur, PIN -621220	Oxygen Concentrators of 10 ltr capacity to Hospitals in Perambalur, PIN - 621220

Sl. No	Details of the Project	Date of Creation/ Acquisition of Capital Assets	Amount of CSR spent for creation/ acquisition of Assets (In ₹)	Details of Entity or Public Authority or Beneficiary under whose name such Capital Asset is registered and their address	Details of the Capital Asset including complete address where it is located
12.	Provision of Medical Equipment's, Urban Community Health Centre-Tiruvottiyur	Jan-22	2,67,612	The Medical Officer Tiruvottiyur Urban Community Health Centre 185 Tiruvottiyur High Road, Elliamman Koil Stop Tiruvottiyur Zone I, Greater Chennai Corporation, Chennai, PIN - 600019	Medical Equipment & Air – conditioners to The Medical Officer Tiruvottiyur Urban Community Health Centre Tiruvottiyur Zone I Greater Chennai Corporation, Chennai 600019
13.	Provision of Medical Equipment's, Government Hospital-Tiruvottiyur	Jan-22	13,84,639	The Chief Medical Officer Government Hospital, 196 Tiruvottiyur High Road, Elliamman Koil Stop, Tiruvottiyur Zone I, Greater Chennai Corporation, Chennai, PIN - 600019	Medical equipments to The Chief Medical Officer Government Hospital, Tiruvottiyur Zone I Greater Chennai Corporation, Chennai, PIN -600019
14.	Providing Dialysis Machine to Paret Mar Ivanios Hospital, Puthupally, Kottayam	Nov-21	6,04,800	Chief Medical Officer, Paret Mar Ivanios Hospital, Puthuppally PO, Kottayam, PIN - 686001	Dialysis Machine to Paret Mar Ivanios Hospital, Puthuppally PO, Kottayam, PIN - 686001
15.	Setting up of Oxygen Plant to COVID care centers in Sangareddy District.	Dec-21	64,20,919	The Primary Health Centre, Sadasivapet, Sangareddy District, Telangana State. PIN - 502291	Construction of Oxygen Plant including the Building at Primary Health Centre, Sadasivapet, Sangareddy District, Telangana State, PIN - 502291
16.	Development of Health Infrastructure at Kolakkanatham, Perambalur	Mar-22	2,91,267	Primary Health Center, Ariyalur Main road, Kolakkanatham, Perambalur, Tamil Nadu, PIN - 621106	Covered Pedestrian Walkway & 4 Wheeler Covered Parking at Primary Health Centre, Kolakkanatham, Perambalur, Tamil Nadu, PIN - 621106
17.	Providing of 15 KVA Genset for uninterrupted power supply to maintain vaccine cold chain	Jan-22	3,49,022	Deputy Director of Health Services Old Eye Hospital Complex, 4 Road, Thuraimangalam, Perambalur, PIN - 621220	Providing 15 KVA Genset to Deputy Director of Health Services Old Eye Hospital Complex, 4 Road, Thuraimangalam, Perambalur, PIN - 621220
18.	CCTVs and ANPR cameras for Police Department, Washermenpet District, Tiruvottiyur Range	Mar-22	4,56,348	Asst. Commissioner of Police (L&O), H8, Police Station, Tiruvottiyur Range, Tiruvottiyur Chennai, PIN - 600019	CCTV and ANPR Cameras and its accessories to Asst. Commissioner of Police (L&O), H8, Police Station, Tiruvottiyur Range, Tiruvottiyur, Chennai - 600019 ANPR CCTV Cameras at the places of MRF-TH Road Junction, Thiruvottiyur : 600 019 and Basin Road Mattumandhai Bridge Junction, Thiruvottiyur, PIN- 600019
19.	Provision of Inverter facility to Primary Health Centre, Nettapakkam for uninterrupted power during pandemic crisis	Mar-22	53,522	Primary Health Centre, Police Station Road, Nettappakkam, Puducherry, PIN - 605106	Providing Invertor to Primary Health Centre, Police Station Road, Nettappakkam, Puducherry, PIN - 605106
20.	Provision of Water Purifier for public use in Taluk office, Bahour.	Mar-22	30,090	Taluk Office, (Dept. of revenue & disaster management), West Street, Bahour, Puducherry, PIN - 607402	Water Purifier to Taluk Office, (Dept. of revenue & disaster management), West Street, Bahour, Puducherry, PIN - 607402
21.	Providing 50 seater Bus for school going girl students in the tribal area of Bharuch district, Gujarat	Jan-22	23,28,300	Kasturba Gandhi Balika Vidyalaya, Shankoi, Taluka Netrang, PIN - 393 130, Bharuch , Gujarat.	50 seater Bus to Kasturba Gandhi Balika Vidyalaya, Shankoi, Taluka Netrang, PIN -393 130, Bharuch , Gujarat.
22.	Construction of Kitchen Building in Siddipet Police Welfare Building	Mar-22	76,64,564	The Commissioner of Police, The Police Welfare Building, Commissionerate of Siddipet, Azampura, Siddipet, Telangana PIN - 502103	Construction of Kitchen Building at Siddipet Police Welfare Building, Siddipet, Telangana, PIN - 502103

Sl. No	Details of the Project	Date of Creation/ Acquisition of Capital Assets	Amount of CSR spent for creation/ acquisition of Assets (In ₹)	Details of Entity or Public Authority or Beneficiary under whose name such Capital Asset is registered and their address	Details of the Capital Asset including complete address where it is located
23.	Construction of Pantry , Kitchen and Toilet in Panchayat office, Usgao, Goa	Mar-22	13,49,997	Panchayat Office, Usgao, Barazan, near State Bank of India, Goa. PIN 403406	Construction of Pantry, Kitchen and Toilet at Panchayat Office, Usgao, Barazan, Goa. PIN - 403406
24.	Teaching Aids, Sports Equipment to Schools - 1. Govt. High School, Ganjem, 2. Vidhya Vardhini Educational Society School,Goa 3. New English High School, Goa	Dec-21	19,96,196	a) Government High School, Ganjam, Goa. PIN 403407., b) Vidhya Vardhini Educational Society School, Goa. PIN 403406., c) New English High School, Digas, Panchawadi, Goa. PIN - 403706	a) Sports equipment to Government High School, Ganjem, Goa, PIN - 403407 b) Teaching Aids, Physiotherapy Equipment to Vidhya vardhini Educational society school, Goa, PIN-403406 and c) Teaching Aids to New English High School, Goa, PIN-403706
25.	Construction of Science Lab and Toilet Block for Government High School, Kottayam	Oct-21	9,10,291	The Head Mistress, Government High School, Vadavathoor PO, Kottayam, Kerala. PIN - 686010	Science Lab building and Toilet block at Government High School, Vadavathoor PO, PIN - 686010, Kottayam
26.	Construction of Class room in Government Junior College, Sadasivapet.	Dec-21	1,29,98,989	The Principal, Government Junior College, Ganji Maidan, Sadasivapet, Sangareddy District, PIN - 502291	Construction of college building at Government Junior College, Ganji Maidan, Sadasivapet, Sangareddy District, PIN - 502291.
27.	Providing Medical Equipment for COVID care. - To provide various medical equipment and materials for COVID Management.	Sep-21	9,12,096	CERTH India Hospital, No: 181, Gingee Salai, Dubrayapet, Puducherry, PIN - 605001	Medical equipments to treat covid patients at CERTH India Hospital, No: 181, Gingee Salai, Dubrayapet, Puducherry, PIN - 605001
28.	Providing Pre-fabricated female rest room, Wash Basins, related water and sewage provisions	Mar-22	5,22,413	Combined Labour Department, Office of ACL-JCL-DCL- Circuit House Road, Senkunnam Colony, Trichy, PIN - 620020	a) 3 pre-fabricated female rest room, b) 3 wash basins and related water/ sewage provisions at Combined labour department at Circuit house Road, Senkunnam colony, Trichy, PIN - 620020
29.	Beds for COVID Patients in Perambalur Hospital.	Oct-21	18,05,950	Deputy Director of Health Services, Old Eye Hospital Complex, 4 Road, Thuraimangalam, Perambalur, PIN - 621220	Beds, Cupboards to various COVID Hospitals in Perambalur, Tamil Nadu, PIN - 621220
30.	Equipment for school (Jaigopal Garodia Govt. High School)	Jul-21	6,94,076	Jaigopal Garodia Government High School Anjugam Nagar II, Tiruvottiyur High Road Tiruvottiyur, Chennai, PIN - 600019 (Next to Tiruvottiyur Bus Stand)	Computer, table, printer, air conditioner & steel chairs to Jaigopal Garodia Government High School Anjugam Nagar II, Tiruvottiyur High Road, Tiruvottiyur Chennai , PIN - 600019
31.	EPABX with accessories for Rajiv Gandhi Government. General Hospital, Chennai	Jan-22	15,90,222	The Dean, Rajiv Gandhi Government General Hospital #3, EVR Periyar Salai, Park Town Opp: Chennai Railway Station, Chennai, PIN - 600003	EPABX with accessories to The Dean, Rajiv Gandhi Government General Hospital #3, EVR Periyar Salai, Park Town Opp: Chennai Railway Sttion, Chennai, PIN - 600003
32.	Toilet facilities for boys, girls & staff in Panchayat Union Primary School, Ameerpet, Arakonam, Tamil Nadu	Jun-21	5,81,246	The Head Mistress, Union Primary School, Bazar Street, Ameerpet, PIN - 631101, Arakonam, Tamil Nadu.	Toilet facilities at Panchayat Union Primary School, Bazar Street, Ameerpet, PIN - 631101, Arakonam, Tamil Nadu.

Sl. No	Details of the Project	Date of Creation/ Acquisition of Capital Assets	Amount of CSR spent for creation/ acquisition of Assets (In ₹)	Details of Entity or Public Authority or Beneficiary under whose name such Capital Asset is registered and their address	Details of the Capital Asset including complete address where it is located
33.	Providing Modernized Instruments and Equipments to Govt Hospital	Apr-21	17,21,703	Chief Civil Surgeon & Chief Medical Officer, Govt. Hospital, Arakonam, PIN - 631001 Ranipet District	Medical Equipment to Government hospital, Arakonam, PIN - 631001, Ranipet Dist.
34.	Supply of Pedestal Fans and Electrical Kettle to Government Hospital at Margao	June-21	1,17,640	Government Covid Hospital, Margao, Goa, PIN - 403601	Electrical Kettle and Pedestal Fans to Government Covid Hospital, Father Agnel Institute of Commerce Road, Monte Hills, Margao, Goa, PIN - 403601
35.	Toilets and Urinals for Govt. High School, Kalmandapam	Aug-21	11,98,173	Government High School, Kalmandapam, Puducherry, PIN - 605106	Toilets and Urinal facility for Government High School, Kalmandapam, Puducherry, PIN - 605106
36.	Refurbishment of Paddy Thrashing Concrete Floor	Jun-21	8,55,500	Commune Panchayat, Kampatham street, Nettapakkam, Puducherry, PIN - 605106	Paddy Thrashing Concrete floor at Commune Panchayat, Kampatham street, Nettapakkam, Puducherry, PIN - 605106
37.	Construction of Government High School building, Mittapet.	Apr-21	9,27,770	The Head Mistress, Government High School, Mittapet, PIN - 631101, Arakonam, Tamil Nadu.	a) Flooring b) Toilets c) Septic tank etc. at Government High School, Mittapet Village, PIN - 631101, Arakonam, Tamil Nadu
38.	Providing RO Plant for potable and safe drinking water to 3 villages	Dec-21	4,83,977	Gram Panchayat, Grama Panchayat Building Complex, Ankenpally Village, Sadasivapet Mandal, Sangareddy District, Telangana State, PIN - 502291	a) 1 RO Plant in Ankenpally Village and b) 1 RO plant in Maddikunta Village, in Sangareddy District of Telangana, PIN - 502291
39.	ICU Beds to CMC Hospital, Kannigapuram, Vellore	May-21	19,12,780	Christian Medical College Hospital, Kannigapuram, Vellore, Tamil Nadu	ICU Bed equipment to Christian Medical College Hospital, Kannigapuram, Vellore, Tamil Nadu, PIN - 632004
40.	Training for under privileged youngsters to become commercial drivers through MRF Institute of Driver Development	Jul-21	34,85,780	MRF Institute of Driver Development, No.1/16, Madhavaram High Road, Red Hills, Chennai, PIN - 600052	a) Office furniture b) Equipment c) Vehicles d) Other assets at MRF Institute of Driver Development, Madhavaram High Road, Red Hills, Chennai, PIN - 600052
41.	Providing training to Fast Bowlers through MRF Pace Foundation	Jul-21	16,11,198	MRF Pace Foundation, Plot No. 3144, 2nd Street, AH Block, Anna Nagar, Chennai. PIN - 600040	a) Office furniture b) Equipment c) Other assets at MRF Pace Foundation, plot No.3144, Anna Nagar, Chennai, PIN - 600040
		Total	**7,39,43,213**		

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) :

During financial year 2021-2022, the Company has spent ₹ 17.62 Crore on various projects and transferred ₹ 16.30 Crore to the Unspent CSR Account for two Ongoing CSR Projects. The shortfall in CSR expenditure was on account of delay in implementation of projects and project duration extending beyond one financial year as per their original schedule of implementation. The unspent amount has been transferred to the Unspent CSR Account and the same will be spent in accordance with the CSR Rules on the two Ongoing projects.

K M Mammen
Chairman and Managing Director
and Chairman of CSR Committee
DIN: 00020202

Arun Mammen
Vice Chairman &
Managing Director
DIN: 00018558

Chennai
10th May, 2022

ANNEXURE III TO THE BOARD'S REPORT

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022
(Pursuant to Section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration of
Managerial Personnel) Rules, 2014)

To,
The Members,
MRF Limited, Chennai - 600 006.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by MRF LIMITED (CIN: L25111TN1960PLC004306) (hereinafter called the Company), in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and I am expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes 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 31st March, 2022 has complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent and in the manner subject to the reporting made hereunder.

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2022 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and external commercial borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (wherever applicable):

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 (Issue of capital and disclosure requirements) Regulations, 2018;

d) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

e) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;

f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

g) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018.

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

1. Secretarial Standards issued by the Institute of Company Secretaries of India;

2. The Listing Agreements entered into by the Company with Bombay Stock Exchange Ltd. and National Stock Exchange Ltd.;

3. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards etc., mentioned above.

I have reviewed the systems and mechanisms established by the Company for ensuring compliance under applicable Acts, Rules, Regulations and other legal requirements of the Central, State and other Government and local authorities concerning the business and affairs of the Company categorized under the following major heads/groups, and 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:

1. Factories Act, 1948;
2. Labour laws and other incidental laws related to labour and employees appointed by the Company including those on contractual basis as relating to wages, gratuity, prevention of sexual harassment, dispute resolution, welfare, provident fund, insurance, compensation etc.;
3. Industries (Development & Regulation) Act, 1951;
4. The Rubber Act, 1947 & Rubber Rules, 1955;
5. Acts and Rules relating to consumer protection;
6. Acts and Rules prescribed under prevention and control of pollution;
7. Acts and Rules relating to environmental protection and energy conservation;
8. Acts and Rules relating to hazardous substances and chemicals;
9. Acts and Rules relating to electricity, fire, petroleum, motor vehicles, explosives, boilers etc.;
10. Acts and Rules relating to protection of IPR;
11. Acts and Rules relating to the industry to which this Company belongs;
12. Other local laws as applicable to various plants and offices.

I further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Directors in compliance with Rules and provisions of the Companies Act, 2013, the regulations and directives of Securities Exchange Board of India (SEBI).

Special Resolutions were passed by Postal Ballot by voting through electronic means on 8th October, 2021 to continue payment of remuneration to Managing Directors/Whole-time Directors in terms of Regulations 17(6)(e)(i) and 17(6)(e)(ii) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Adequate notice was given to all directors on schedule of 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 clarification on the agenda items before the meeting and for meaningful participation at the meeting. All decisions carried are duly recorded in the minutes of 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.

K ELANGOVAN
Company Secretary in Practice

Place: Chennai FCS No.1808, CP No. 3552, P R No. 892/2020
Date: 10th May, 2022 UDIN: F001808D000277281

This report is to be read with my testimony of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To,
The Members
MRF Limited, Chennai 600006.
My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

K ELANGOVAN
Company Secretary in Practice

Place: Chennai FCS No.1808, CP No. 3552, P R No. 892/2020
Date: 10th May, 2022 UDIN: F001808D000277281

ANNEXURE IV TO THE BOARD'S REPORT

Form No. AOC–2

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

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 arms length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arms length basis—

   There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2022, which were not at arms length basis.

2. Details of material contracts or arrangement or transactions at arms length basis—

   The details of material contracts or arrangements or transactions at arms length basis for the year ended 31st March, 2022 is as follows:

   (a) Name(s) of the related party & Nature of Relationship: MRF SG PTE. LTD (Wholly Owned Subsidiary of the Company).

   (b) Nature of transactions: Purchase of raw materials.

   (c) Duration of transactions: April 2021-March 2022.

   (d) Salient terms of transactions including transactions value: ₹ 2048.07 Crores. Price - Transactional Net Margin Method (TNMM), Payment – As per applicable credit terms.

   (e) Date of approval by the board: Since these related party transactions are in the ordinary course of business and are at arms length basis, approval of the Board is not required. Necessary approvals were granted by the Audit Committee on 11th February, 2021 and 7th June, 2021.

   (f) Amount paid in advance: Nil.

On behalf of the Board of Directors

K M MAMMEN
Chairman & Managing Director
DIN: 00020202

Chennai
10th May, 2022

MANAGEMENT DISCUSSION AND ANALYSIS

(Within the limits set by Company's competitive position)

The year 2021-22 was another challenging year for India and the World, having to deal with the 2nd Covid wave at the beginning of the year and the milder Omicron wave later in the year. The year saw inflation rising through the year, primarily due to high commodity and energy prices. As the World Economy was recovering from the impact of Covid, came the war in Ukraine. The war aggravated an already high inflation in the global economy while dislocating supply chains further. The Organization for Economic Co-operation and Development (OECD) estimates that the War in Ukraine could shave-off a percentage point from global growth. Debt level of Countries has gone up while some Countries are grappling with foreign exchange crisis. Central Banks around the world have started tightening monetary conditions to rein in inflation. Developing Countries have limited space for additional fiscal spending in view of the elevated spending of the past two years to combat the impact of Covid. Consequently, global growth is set to moderate. MRF continued its leadership journey in this challenging year and continues to be ranked among the World's Top 20 Tyre manufacturers.

Global economy grew by an estimated 6.1% in 2021 (IMF World Economic Outlook, April 2022), reflecting the base impact of the previous year (-3.1%) when Covid ravaged the World. IMF's current estimate for the global growth for Calendar year 2022 is 3.6%. Much depends upon the course of the war in Ukraine, inflation trajectory and how supply chain recovers.

US Federal Reserve has started hiking interest rates with a 0.25% hike in March, 2022 followed by a steep 0.50% in May, 2022, the highest single hike since 2000. The Fed will also start shrinking its balance sheet starting June, 2022. This will be the most aggressive monetary tightening in decades in the United States of America to combat soaring inflation. Consequently, emerging economies will have to deal with flight of capital and currency devaluation. Strengthening Dollar will make imports costlier, further aggravating inflation. Credit costs will increase for Governments which have resorted to higher spending to pull their economies out of the pandemic induced slow down.

Market & Industry Overview

For India, the year began with the 2nd Covid wave, with brief lockdowns, which impacted business performance in Quarter 1 of financial year 2021-22. Vaccinations against Covid helped in the economic recovery. The Omicron wave that came later in the year had a milder impact on Q3 and Q4 of financial year 2021-22. While releasing the 3rd Quarter GDP numbers in March, 2022, the government estimated the full year GDP growth at 8.9%. This would lift the GDP above the pre covid levels. 3rd Quarter GDP numbers showed that private consumption is just about higher than pre pandemic levels while contact intensive services were still below the pre pandemic levels. Higher inflation also has impacted private consumption. The Indian Economy in financial year 2021-2022 reflected investment led growth while consumption demand was lagging. GDP growth decelerated over the Quarters reflecting base effect and slowing growth towards the end of the year. Tax revenue was buoyant with both direct and indirect taxes showing robust growth, which helped the government in meeting the fiscal deficit target. Tax buoyancy resulted in the tax to GDP ratio of 11.7%, highest in 23 years. Export growth was a bright spot with merchandise exports crossing $ 400 Bln.

Inflation was elevated through the year with wholesale price inflation remaining in double digits for 12 months in a row. Retail inflation hit 7% in March,2022, well above the RBI's tolerance band of 2%-6%. This plus the uncertainty around the trajectory of inflation prompted RBI to resort to an off cycle rate hike of 40 basis points. Inflation is expected to remain high and further rate hikes by RBI is to be expected. Lending rates are set to rise across the economy.

During the year, the government executed a Comprehensive Economic Partnership Agreement (CEPA) with UAE, India's third largest trade partner, this being the first major Trade Agreement in a decade. This was followed by an interim Economic Cooperation and Trade Agreement (ECTA) with Australia. Talks with European Union is scheduled for a Free Trade Agreement. The Trade Agreements should improve Trade and Exports and would impact growth positively in the long run.

RBI in April,2022 projected financial year 2022-23 GDP growth at 7.2% while IMF's estimate is higher at 8.2%. Forecast for GDP growth have been toned down in recent weeks given the outlook on inflation and interest rate movements. Global growth and trade are trending lower, which could slow down India's Export growth. Higher commodity prices will continue to impact consumption and investment, translating to lower growth. RBI, which had prioritized growth over inflation over the last 3 years, is now targeting inflation ahead of growth. Government will need to step up public expenditure to maintain the economy's growth in the face of weak private demand.

Globally, Automoble Industry was impacted by shortage of semi conductors and other components, leading to temporary shut down of Plants. Post the war in Ukraine, availability of several key raw materials for the industry that comes from Russia and Ukraine have been impacted. Logistics costs have also hugely increased for the industry.

The year has been defining for our Auto Industry in its movement towards Electric vehicles. Industry insiders feel that demand generation for electric vehicles is no longer a problem as managing the supply chain is. Government announced in the Budget that it would introduce a Battery swapping policy, following which NITI Aayog released a draft Policy. This is expected to give a boost to Electric Vehicles in India. There was a huge increase in the demand for CNG Vehicles due to spiraling energy prices and adequate infrastructure.

The response to PLI scheme for the Auto Industry exceeded expectations. The scheme has attracted an investment of ₹ 74,850 Crores against the target estimate of ₹ 42,500 Crores over a 5 year period. The scheme will aid in the country's movement to a manufacturing destination, besides strengthening the supply chain through its emphasis on value addition.

After a weak 2020-21, there were signs of recovery in the Medium and Heavy Commercial Vehicle (M&HCV) segment towards the second half of 2021-22. The infrastructure industry showed a faster growth and hence the demand for Tippers started picking up. With more industries opening up and a good harvest season, the 4th quarter showed recovery in the haulage segment too. However the bus segment continued to be on the weaker side.

The overall M&HCV production increased by about 50% over 2020-21. However it is far below the peak year of 2018-2019. With a good demand expected in both the construction and haulage segments, the year 2022-23 could see improved production. The Vehicle scrapage policy which is likely to be rolled in by 2023-24 is expected to provide new opportunities in the State transport (STU) bus segment also.

The passenger vehicle production has seen a growth of 19% in the year ended 2021-22, showing a good recovery after the double digit decline in financial year 2020-21. The segment continued to witness preference for Sports Utility Vehicles (SUVs), coming at the expense of hatchback and Sedans. While there was huge pent up demand on the back of the preference for personal mobility, the segment was hit by supply side issues arising from shortage of components like semiconductor chips. This has resulted in long waiting period for many car models ranging from 3-4 months and in some models going upto 10 months. The other challenges affecting the sector are the increasing cost of raw materials and logistics cost. The high fuel prices due to geo political issues may impact the demand and usage of personal vehicle in the short term. But the passenger segment is better poised to handle cost increases than other segments considering the order backlog.

A major shift seen in the passenger segment in 2021-22 was the movement towards Electric vehicles [EVs]. Original Equipment Manufacturers (OEMs) are investing in EV models and most of the new developments will be in this area.

Two Wheeler production recorded a decline of 3%, the third consecutive year of decline. The decline in Scooter production continues to be higher than Motorcycles this year also. There were multiple price hikes over the last 2 years by Manufacturers. Entry level vehicles took the biggest volume hit being the segment most sensitive to price. Also, high fuel costs, poor rural sentiment etc kept Customers away. New launches have been subdued. Your company continues to be the preferred choice of fitment in most of the new launches. During the year, your company also launched quite a few new products for after market sales which have been well accepted by the customers. The excitement in the electric vehicle space continues with more players entering the segment and volumes more than doubling.

Two wheelers performed well in Exports which came as a relief to companies that were impacted by demand pressure in the domestic markets.

Tractor Production in financial year 2022 was flat despite the first half showing good growth. Substantial increase in fuel costs, raw material and labour costs impacted the off-take of Tractors in financial year 2022. Farmers are benefiting from high prices of commodities, specially of Wheat and Oilseeds resulting from the current geopolitical situation. A healthy Rabi crop and low channel inventory should lead to a good start to financial year 2023. Also, Indian Meteorological Department (IMD) prediction of a normal monsoon augurs well for a good Kharif season.

Tyre production recorded a healthy growth in financial year 2022. Passenger and Off The Road (OTR) segments grew impressively reflecting personal mobility and economic growth in the country. Two wheeler Tyres and Tractor Tyre growth was modest while Truck Tyre growth was better. Tyre Exports recorded a healthy growth. Two wheeler Tyre exports have grown significantly, in line with Two wheelers' exports from the country.

Margins of the Tyre industry decreased over the Quarters in financial year 2022 reflecting increase in input costs of an unprecedented nature.

Product wise Performance

During fiscal 2021-22, your Company achieved a total income of Rs.19304 Crores. There was an overall increase of 18% in tyre production in financial Year 2022, with all product groups showing growth. In the Heavy Commercial Vehicle product group, there was an increase of 15% over the previous year while Light Commercial Vehicle Tyres increased by around 13%. Small Commercial Vehicle Tyres increased by 44% in Three Wheel product group, while it increased by 13% in Four Wheel product group. Passenger & SUV showed a growth of 21%. The Farm product group grew by 7%. The Motorcycle and Scooter product groups increased by 11% and 33% respectively. The OTR product group grew by 38%.

Exports

Our exports of Tyres grew by a substantial 33% over the previous year. Export turnover is ₹ 1779 crores in financial year 2021-22 as compared to ₹ 1333 crores in 2020-21. Post the 2nd wave of the pandemic in early 2021 and opening up of our key markets, there was encouraging demand for MRF tyres from our valued Customers.

Our traditional and strong markets of Bangladesh, Philippines, Indonesia, the African continent and the Middle East region showed substantial growth across categories.

The demand for our Truck Bias, Truck Radial, and Light truck tyres continued to grow reflecting the strong demand and brand equity for our tyres.

We also saw a huge surge in demand for our Motorcycle tyres across markets like the African region, Bangladesh, & Latin American countries.

Going forward we expect the demand and preference for MRF tyres to continue while we explore newer markets to establish our dominance across categories.

Discussion on Financial Performance with respect to Operational Performance and Key financial Ratios

(₹ Crores)

	2021 - 2022	2020 - 2021
Revenue from operations	18989	15922
Other Income	315	207
Total Income	19304	16129
Profit before tax	879	1700
Provision for tax	232	451
Profit after tax	647	1249

The revenue from operations of the Company for the 2021-2022 stood at ₹ 18989 crores against ₹ 15922 crores for the previous year ended 31st March, 2021. During the year ended 31st March, 2022, the earnings before interest and depreciation (EBIDTA) stood at ₹ 2328 crores as against ₹ 3102 crores in the previous year ended 31st March, 2021. After providing for depreciation and interest, the profit before tax for the year ended 31st March, 2022 is ₹ 879 crores as compared to ₹ 1700 crores in the previous year ended 31st March 2021. After making provision for income tax, the net profit for the year ended 31st March, 2022 is ₹ 647 crores as against ₹ 1249 crores in the previous year ended 31st March, 2021.

There is no significant change (i.e. 25% or more) in key financial ratios viz. debtors turnover, inventory turnover, current ratio, debt equity ratio and Interest coverage ratio except for net profit margin (%), operating profit margin and return on net worth.

During the year, the net profit margin reduced from 7.74% to 3.35% due to sharp increase in raw material cost during the year. The operating profit margin of the Company reduced from 11.04% to 4.31% mainly due to sharp increase in raw material cost during the year.

The return on net worth decreased during the year from 9.92% to 4.80% when compared to the previous year. This is due to the drop in current year profit.

Opportunities and Threats

Forecast of a normal monsoon for the fourth year in a row will be a positive for the rural sector and the economy as a whole. High agricultural prices arising from the geo political situation should be a boost to the rural sector. Higher Government spend on infrastructure should be a growth positive for the related sectors. Production Linked Incentives and Free Trade Agreements will be a boost to manufacturing in the long run.

The high inflation would have a negative impact on consumption. RBI has increased interest rates which will increase cost of Funds and may curb demand. Central Banks the world over are fighting inflation through interest rate hikes and other monetary measures which might curb growth and international trade. This could be a dampener for Exports. The continuing war in Ukraine will be an uncertainty and will keep commodity prices high.

Outlook

The two major issues facing the Auto industry today is managing the supply chain and the high input Costs. Interest rates are also moving up in the economy, which will increase the cost of vehicle financing. On the positive side, demand for all segments is good except for Two wheelers. Pending order book should keep the passenger segment in good stead. An early end to the war in Ukraine would ease the supply chain bottlenecks for the Auto Industry and also push costs downward.

Investments in the PLI Scheme in the Auto and Auto Components industries will be a big boost for Automobile production in India.

Impact on the Tyre industry would also be similar as outlined above.

Internal Control Systems and their Adequacy

Your Company has established internal control systems commensurate with the size and nature of business. It has put in place systems and controls across the Company covering various financial and operational functions. Company through its own Internal Audit Department carries out periodical audits at various locations and functions based on the audit plan as approved by the Audit Committee. Some of the salient features of the Internal control systems are:-

(i) An integrated ERP system connecting all plants, sales offices, head office, etc.

(ii) Systems and procedures are periodically reviewed to keep pace with the growing size and complexity of company's operations.

(iii) Assets are recorded and system put in place to safeguard against any losses or unauthorized disposal.

(iv) Periodic physical verification of fixed assets and Inventories.

(v) Key observations arising out of the Internal Audit are reviewed at the Audit Committee meeting and follow up action taken.

Risks and Concerns

The key risk in financial year 2022-23 are uncertainties arising out of steep increase in raw material prices and inflation which will result in the auto mobile industry remaining in slow lane in financial year 2022-23 and will slow down growth which will pose challenge to the Company's performance. Moreover, the war in Ukraine will pose supply chain bottlenecks for the Auto Industry and also result in uncertainties which will keep commodity prices high.

Challenges faced with regard to availability of raw materials due to Covid-19 continues to remain. Moreover, restrictions in China consequent to the Omicron wave will continue to have its impact on the supply chain situation.

Human Resources

MRF is a value driven organization and the company has a rich organizational culture rooted in its core values of respect for people and belief in empowerment.

The core value underlying our corporate philosophy is "trusteeship" and "proprietary interest". In dealing with each other, the values which are at the core of our HR Philosophy - trust, teamwork, mutuality and collaboration, objectivity, self-respect and human dignity are upheld. The management is committed to the development and growth of its people and the core focus is on Human Resources for its continued success. We owe our success and dominance in the market to the dedication and hard work of our employees who have overcome all challenges to meet the daunting challenges of the market and the ever increasing quality expectations, customer taste and preferences of the customers across the length and breadth of the country as well as in overseas market.

As Covid-19 has brought several economies to a standstill, we together combated the unprecedented challenges of Covid-19. Special Task Force was formed to ensure safe work place and extend care for employees' family, people and community.

In order to strengthen our human resource for meeting the future challenges, we have focused on hiring the best resources available and retaining and developing our existing talent pool.

We also concentrated on acquisition of top talent from premier institutes to build a Leadership talent pool especially in Research & Development and Sales & Marketing, the key areas of our operation for product superiority and market dominance.

We leverage human capital for competitiveness by nurturing knowledge, entrepreneurship and creativity.

Our Talent Management strategy is in tune with our growth needs and we focus intensively on developing internal resources for critical positions along with need based recruitment for specific lateral positions.

Our human resource development is focussed on our company's mission to have competitive edge in technology & excellence in manufacturing. All our training programs are designed and tailor made to meet our specific requirements. Training effectiveness measurement is an integral part of our learning and development strategy.

We continued imparting teambuilding and collaboration training to our workmen to enhance the team cohesiveness. Leadership training for union leaders and opinion makers also continued through the year, thereby keeping with our commitment of shaping the future of our plants.

The total employee strength as on 31st March, 2022 was 18,734.

We maintained cordial and harmonious industrial relations in all our manufacturing units through our various employee engagement initiatives and focus on improving the work culture, enhancing productivity and enriching the quality of life of the workforce and maintaining our supremacy in the market.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, expectations or forecast may be forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

On behalf of the Board of Directors

K M MAMMEN
Chairman & Managing Director
DIN: 00020202

Chennai
10th May, 2022

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Code of Governance

As always, your Company continues to remain committed to good corporate governance practices by maintaining the highest levels of fairness, transparency, accountability, ethics and values in all facets of its operations and in all its interactions with its stakeholders.

Your Company's Corporate Governance framework is all about maintaining valuable relationship and trust with all stakeholders. We ensure that timely and accurate disclosure on all material matters including the financial situation, performance and regulatory requirements, leadership and governance of the company are shared with all the stakeholders. It encourages cooperation between the Company and the stakeholders for better participation in the Corporate Governance processes.

Your Company continues to believe that good corporate governance is essential for achieving long-term corporate goals of the Company and for meeting the needs and aspirations of its stakeholders, including shareholders.

2. Board of Directors

(a) Composition of the Board

The Board comprises of 14 Directors which includes a Chairman & Managing Director, a Vice Chairman and Managing Director, a Managing Director, 2 Whole-time Directors, 2 Non-Executive Directors and 7 Independent Directors. None of the Directors on the Board is a member of more than 10 committees or act as Chairman of more than 5 committees across all listed Companies and unlisted public limited Companies in which he/ she is a Director.

(b) Attendance of Directors at Board Meetings during the financial year ended 31.03.2022 and at the last Annual General Meeting, outside directorships and board committee memberships and number of shares held as on 31.03.2022:

Name	Composition and Category	No. of Directorships in other Public Ltd. Companies	No. of Board Meetings attended during the financial year ended 31.03.2022	Names of the other listed entities where the person is a director and the category of directorship	No. of Committee Memberships in other Public Limited Companies	Attended last AGM held on 12.08.2021	No. of Shares held
Mr. K M Mammen Chairman & Managing Director	Promoter Executive Director	4	4	Nil	Nil	Yes	16048
Mr. Arun Mammen Vice Chairman and Managing Director	Promoter Executive Director	3	4	Nil	1 –Chairman	Yes	27560
Mr. Rahul Mammen Mappillai Managing Director	Promoter Executive Director	Nil	4	Nil	Nil	Yes	4538
Mr. Samir Thariyan Mappillai Whole-time Director	Promoter Executive Director	Nil	4	Nil	Nil	Yes	4470

Name	Composition and Category	No. of Directorships in other Public Ltd. Companies	No. of Board Meetings attended during the financial year ended 31.03.2022	Names of the other listed entities where the person is a director and the category of directorship	No. of Committee Memberships in other Public Limited Companies	Attended last AGM held on 12.08.2021	No. of Shares held
Mr. Varun Mammen Whole-time Director	Promoter Executive Director	Nil	4	Nil	Nil	Yes	8706
Mr. Ashok Jacob	Independent Director	Nil	4	Nil	Nil	Yes	1856
Mr. V Sridhar	Independent Director	Nil	4	Nil	Nil	Yes	Nil
Mr. Vijay R Kirloskar*	Independent Director	2	2	Kirloskar Electric Company Limited - Executive Chairman	1	No	355
Mr. Ranjit I Jesudasen	Independent Director	Nil	4	Nil	Nil	Yes	Nil
Dr. Salim Joseph Thomas	Independent Director	Nil	4	Nil	Nil	Yes	Nil
Mr. Jacob Kurian	Independent Director	Nil	4	Nil	Nil	Yes	129
Dr. (Mrs.) Cibi Mammen	Promoter Non-Executive Director	2	4	Nil	Nil	Yes	500
Mrs. Ambika Mammen	Promoter Non-Executive Director	2	4	Nil	Nil	Yes	2489
Mrs. Vimla Abraham	Independent Director	Nil	4	Nil	Nil	Yes	Nil

*Mr. Vijay R Kirloskar has resigned from the independent directorship held in Batliboi Limited with effect from 27th April, 2021.

For Committee memberships, the chairmanship and membership in Audit / Stakeholders Relationship Committee in all public limited Companies, alone are considered. The Committee memberships of Directors are within the limits prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred to as "Listing Regulations").

Mr. K M Mammen and Mr Arun Mammen are brothers. Mrs. Ambika Mammen is the wife of Mr. K M Mammen. Dr. (Mrs) Cibi Mammen is the wife of Mr. Arun Mammen. Mr. Rahul Mammen Mappillai and Mr Samir Thariyan Mappillai are the sons of Mr K M Mammen and Mrs Ambika Mammen. None of the other Directors are related to any Board Member.

(c) Dates of Board meetings

During the financial year ended 31st March, 2022, four Board Meetings were held on 07.06.2021, 09.08.2021, 09.11.2021 and 10.02.2022.

(d) Information placed before the Board

The Board of Directors periodically reviews reports regarding operations, capital expenditure proposals, statutory compliance and other required information as enumerated in Part A of Schedule II of the Listing regulations and as required under relevant provisions of the Companies Act, 2013.

(e) Familiarization Programme

Presentations/briefings are made at the meeting of the Board of Directors/Committees by KMP's/ Senior Executives of the Company on industry scenario, Company's operating and financial performance, raw material scenario, industrial relations status, risk management etc. The details of familiarization programme are available on the Company's web site at https://www.mrftyres.com/downloads/download.php?filename=familiarisation-programme-for-independent-directors.pdf

3. Audit Committee

(i) Reference

The powers, role and terms of reference of the Audit Committee covers the areas as mentioned under Regulation 18 of the Listing Regulations and Section 177 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors. These, inter alia, include oversight of Company's financial reporting process, internal financial controls, reviewing the adequacy of the internal audit function, reviewing with management the quarterly/annual financial statements before submission to the Board, recommending the appointment of statutory auditors and fixation of their remuneration, approval of related party transactions, evaluation of risk management systems etc.

(ii) Composition

The Audit Committee comprises of 3 Directors and all of them being Non-Executive Independent Directors. The members of the Committee are as follows:

Mr. Jacob Kurian	Chairman
Mr. V Sridhar	Member
Mr. Ranjit I Jesudasen	Member

Mr. S Dhanvanth Kumar, Company Secretary, is the Secretary of the Committee.

Mr. K M Mammen, Chairman & Managing Director, Mr. Arun Mammen, Vice Chairman and Managing Director and Mr. Rahul Mammen Mappillai, Managing Director are permanent invitees. The Vice President Finance, Head of Internal Audit, Statutory Auditors and other Executives, as considered appropriate, also attend the meetings by invitation.

(iii) Meetings and Attendance

During the financial year ended 31st March, 2022, the Audit Committee met on the following dates: 07.06.2021, 09.08.2021, 09.11.2021 and 10.02.2022. All the members of the Committee were present for all the meetings.

4. Nomination and Remuneration Committee

(i) Reference

In accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, the terms of reference of the Committee include the following namely formulation of criteria for determining qualifications, positive attributes and independence of director, recommending to the Board a policy relating to remuneration of directors, key managerial personnel and other employees, formulation of criteria for evaluation of directors performance, devising a policy on Board diversity, identifying persons who are qualified to become directors and who may be appointed in senior management positions in accordance with the criteria laid down and recommend to the Board their appointment and removal and also recommend to the Board remuneration payable to Senior Management.

(ii) Composition

The Committee comprises of 3 Non-Executive Independent Directors and an Executive Director. The Chairman is a Non-Executive Independent Director. The Committee comprises of:

Mr. Ranjit I Jesudasen	Chairman
Mr. V Sridhar	Member
Mr. Jacob Kurian	Member
Mr. K M Mammen	Member

Mr. S Dhanvanth Kumar, Company Secretary, is the Secretary of the Committee.

(iii) Meetings and Attendance

During the financial year ended 31st March, 2022, the Committee met on the following dates: 07.06.2021, 09.08.2021 and 10.02.2022. All the members of the Committee were present for the meeting.

5. Criteria for determining the qualifications, positive attributes and Independence of a Director

Candidates for the position of a Director shall be a person of integrity and possess requisite education, experience and capability to make a significant contribution to the deliberations of the Board of Directors. Apart from the above, the Board candidate should be of the highest moral and ethical character. The candidate must exhibit independence, objectivity and be capable of serving as a representative of the stakeholder. The candidate should have the personal qualities to be able to make an active contribution to Board deliberations. These qualities include intelligence, inter-personal skills, independence, communication skills and commitment. The Board candidate should not have any subsisting relationships with any organization which is a competitor to the Company. The Board candidate should be able to develop a good working relationship with other Board members. This apart, the Directors must satisfy the qualification requirements laid down under the Companies Act, 2013, the Listing Regulations and any other applicable law and in case of Independent Directors, the criteria of independence as laid down in those laws.

6. Performance evaluation of Independent Directors

The criteria for evaluation of the Independent Directors is attendance, participation in deliberations, understanding the Company's business and that of the industry and guiding the Company in decisions affecting the business and additionally based on the roles and responsibilities as specified in Schedule IV of the Companies Act, 2013 and fulfillment of independence criteria and independence from management.

The Board carried out evaluation of the performance of the Independent Directors on the basis of the criteria laid down. The evaluation was done by the Board of Directors except the Director who was evaluated.

7. Remuneration of Directors

a. Remuneration Policy:

A policy on remuneration of Directors, Key Managerial Personnel ("KMP") and Senior Management and other staff was put in place by Nomination and Remuneration Committee on 23.07.2014 and approved by the Board of Directors at its meeting held on 30.10.2014.

The Policy provides as follows:

(i) Non-Executive Directors:

The Non-Executive Directors (including Independent Directors) may be paid remuneration by way of sitting fees for attending meetings of Board or Committee thereof.

The Directors may also be reimbursed any expenses in connection with attending the meetings of the Board or Committee or in connection with the business of the Company.

The quantum of fees shall be determined, from time to time, by the Board subject to ceiling / limits as provided under Companies Act, 2013 and rules made thereunder.

(ii) Chairman & Managing Director, Managing Director(s) / Whole-time Director(s):

The level and composition of remuneration will be reasonable and sufficient to attract, retain and motivate directors of quality to run the Company successfully. The remuneration package should adequately compensate them for the high level of responsibilities shouldered by them and sensitivity of the position held. The level of remuneration shall take into consideration the professional expertise, past credentials and potential of the person concerned. The compensation package may comprise of a fixed compensation package in the nature of monthly and annual pay-out, provision of perquisites, contribution to retirement benefits, health and insurance and any other benefits (including provision of loans on such terms as to interest, repayment and security as determined by the Board) and commission on profits, in such proportion and quantum as decided from time to time based on the Company's business needs and requirements and prevailing practices in industry.

Besides the above, the remuneration to be paid to Chairman & Managing Director, Managing Director(s) and Whole-time Director(s) shall be governed by the provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

(iii) KMP's (other than MD's and WD's), Senior Management Personnel and other Staff:

The level and composition of remuneration will be reasonable and sufficient to attract, retain and motivate persons of the quality required to handle appropriate management roles in the Company successfully. The level of remuneration may be based on the qualification, experience and expertise and potential of the person concerned and also the responsibilities to be shouldered, criticality of the job to the Company's business and any other criteria as considered appropriate. The compensation package may comprise of a fixed compensation package in the nature of monthly and annual payout, provision of perquisites, contribution to retirement benefits, health and insurance and any other benefits (including provision of loans on such terms as to interest, repayment and security as determined by the Board) and variable pay (having a clear relationship to performance which will meet appropriate benchmarks relevant to the working of the Company and its goals), in such proportion and quantum as decided from time to time based on the Company's business needs and requirements and prevailing practices in industry.

(iv) Directors and Officers Insurance:

Where any insurance is taken by the Company on behalf of its Directors, KMP's / Senior Management Personnel, Staff etc., for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

b. Details of Remuneration to all the Directors for the financial year ended 31.03.2022

(i) The remuneration of the Managing / Whole-time Directors comprises of a fixed component (viz., salary, allowances, perquisites and retirement benefits) and variable components (viz., commission on profit). Commission is paid as a percentage of profit before tax computed as per Section 198 of the Companies Act, 2013 and accordingly the performance metric for payment of commission is profit before tax.

The details of remuneration paid for the financial year ended 31.03.2022 are as follows:

(a) Name (b) Designation (c) Salary and perquisites (₹) (d) Commission (₹) (e) Total (₹)

(a) Mr. K M Mammen (b) Chairman & Managing Director (c) 172905110 (d) 87500000 (e) 260405110 (a) Mr Arun Mammen (b) Vice Chairman and Managing Director (c) 129957449 (d) 87500000 (e) 217457449 (a) Mr Rahul Mammen Mappillai (b) Managing Director (c) 113213659 (d) 87500000 (e) 200713659 (a) Mr Samir Thariyan Mappillai (b) Whole-time Director (c) 35264064 (d) 21600000 (e) 56864064 (a) Mr Varun Mammen (b) Whole-time Director (c) 35435599(d) 21600000 (e) 57035599.

Note: Salary and perquisites include all elements of remuneration i.e., salary, allowances and benefits but excluding gratuity and leave benefits. In respect of Mr. K M Mammen, Mr Arun Mammen and Mr Rahul Mammen Mappillai the commission for the year 2021 - 22 is lower than the previous year and also the maximum eligibility as per the shareholders' resolution because of decrease in profits. The Company has not issued any stock options to any of the directors. The Managing Directors/ Whole-time Directors are appointed by shareholders for a period of five years at a time. Notice period and severance fees are not applicable.

(ii) The Non-Executive Directors are paid sitting fees for each meeting of the Board or Committee attended by them and also reimbursed expenses in connection with attending the meetings. The sitting fees paid for the financial year ended 31.03.2022 to Non-Executive Directors are as follows:

(a) Name (b) Sitting fees (₹)

(a) Mr Ashok Jacob (b)100000; (a) Mr V Sridhar (b) 220000; (a) Mr Vijay R Kirloskar (b) 50000; (a) Mr Ranjit I Jesudasen (b) 280000; (a) Dr. Salim Joseph Thomas (b) 100000; (a) Mr Jacob Kurian (b) 210000; (a) Dr. (Mrs) Cibi Mammen (b) 100000; (a) Mrs Ambika Mammen (b) 100000; (a) Mrs Vimla Abraham (b) 100000.

Sitting fees are paid to Non-Executive Directors within the limits prescribed under the Companies Act, 2013.

There were no material pecuniary relationships or transactions by Non-Executive Directors vis-a-vis the Company as per the materiality threshold laid down in Listing Regulations and also as per the Policy on Materiality of and dealing with Related Party Transactions framed pursuant to the said Regulations.

As required under the Listing Regulations, the Company has taken a Directors and Officers Liability Insurance (D&O) on behalf of all Directors including Independent Directors of the Company.

8. Stakeholders' Relationship Committee

(i) Reference

The Committee looks into redressal of grievances of the investors namely shareholders. The Committee deals with grievances pertaining to non-receipt of annual report, non-receipt of dividend, dematerialisation/rematerialisation of shares, complaint letters received from Stock Exchanges, SEBI, etc. The Board of Directors has delegated the power of approving transmission of shares.

(ii) Composition

The Committee comprises of 3 Directors. The Chairman of the Committee is a Non-Executive Independent Director. The members of the Committee are:

Mr. V Sridhar	Chairman
Mr. Ranjit I Jesudasen	Member
Mr. K M Mammen	Member

Mr S Dhanvanth Kumar, Company Secretary, is the Secretary of the Committee and the Compliance Officer.

(iii) Meeting and Attendance

During the financial year ended 31st March, 2022, the Stakeholders' Relationship Committee met on 09.08.2021. All the members of the Committee were present for the meeting. 16 investor complaints were received during the financial year ended 31.03.2022. All the complaints were redressed and no complaints were pending at the year end.

9. Risk Management Committee

(i) Reference

In accordance with Regulation 21 of the Listing Regulations, the terms of reference of the Committee include the following namely formulation of detailed risk management policy, ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company, monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems, periodically reviewing the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity recommendations and actions to be taken etc.

(ii) Composition

The Committee comprises of 3 Executive Directors and an Independent Director. The Chairman of the Committee is an Executive Director. The members of the Committee are:

Mr. K M Mammen	Chairman
Mr. Arun Mammen	Member
Mr. Rahul Mammen Mappillai	Member
Mr. Ranjit I Jesudasen	Member*
Mr. S Dhanvanth Kumar	Member**
Mr. Madhu P Nainan	Member**

* Appointed w.e.f. 7th June, 2021.

** Ceased w.e.f. 7th June, 2021.

(iii) Meeting and Attendance

During the financial year ended 31st March, 2022, the Risk Management Committee met on 22nd September, 2021 and 14th March, 2022.

All the members of the Committee were present for all the meetings.

10. General Body Meetings

a. The Company held its last three Annual General Meetings as under:

AGM for the Year	Date	Time	Venue
2018-2019	09-08-2019	11.00 A.M	TTK Auditorium, 'The Music Academy' No.168, TTK Road, Chennai - 600 014
2019-2020	24-09- 2020	11.00 A.M	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")
2020-2021	12-08-2021	11.00 A.M	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")

b. Details of Special resolution passed during the last 3 Annual General Meetings:

Date of AGM	Particulars of Special Resolution passed
09-08-2019	(i) Re-appointment of Mr. Vijay R Kirloskar as an Independent Director for 2nd term of 5 consecutive years. (ii) Re-appointment of Mr. V Sridhar as an Independent Director for 2nd term of 5 consecutive years. (iii) Re-appointment of Mr. Ranjit I Jesudasen as an Independent Director for 2nd term of 5 consecutive years. (iv) Re-appointment of Dr. Salim Joseph Thomas as an Independent Director for 2nd term of 5 consecutive years. (v) Re-appointment of Mr. Jacob Kurian as an Independent Director for 2nd term of 5 consecutive years. (vi) Re-appointment of Mr. Ashok Jacob as an Independent Director for 2nd term of 5 consecutive years.
24-09-2020	Nil
12-08-2021	Nil

c. Postal Ballot:

During the financial year ended 31st March, 2022, the Board sought the consent of the shareholders of the Company for passing the following Special Resolutions through postal ballot as per the notice to the shareholders dated 9th August, 2021:

Resolution No. 1 - Approval to continue payment of remuneration as per terms currently in force to Mr. K M Mammen, in his capacity as Managing Director of the Company in terms of Regulation 17(6)(e)(i) of Listing Regulations, 2015.

Resolution No. 2 - Approval to continue payment of remuneration as per terms currently in force to Mr. Arun Mammen, in his capacity as Managing Director of the Company in terms of Regulation 17(6)(e)(i) of Listing Regulations, 2015.

Resolution No. 3 - Approval to continue payment of remuneration as per terms currently in force to Mr Rahul Mammen Mappillai, in his capacity as Managing Director of the Company in terms of Regulation 17(6)(e)(i) of Listing Regulations, 2015.

Resolution No. 4 - Approval to continue payment of Remuneration as per terms currently in force to the Managing Directors/Whole-time Directors of the Company in terms of Regulation 17(6)(e)(ii) of Listing Regulations, 2015.

Mr. N C Sarabeswaran (Membership No. 009861) Senior Partner, Messrs. Jagannathan & Sarabeswaran, Chartered Accountants was appointed as the Scrutinizer for conducting the postal ballot through the e-voting process in a fair and transparent manner.

The above special resolutions were passed with requisite majority on 8th October, 2021.

Voting pattern of the special resolutions passed through postal ballot on 8th October, 2021, through the e-voting process, are as follows:

Particulars	Resolution No. 1	Resolution No. 2	Resolution No. 3	Resolution No. 4
Votes in favour of the resolution				
Number of members	694	691	689	690
Number of votes cast by them	2679595	2679704	2679701	2679727
% of total number of valid votes cast	87.19	87.20	87.20	87.20
Votes against the resolution				
Number of members	391	395	396	393
Number of votes cast by them	393541	393434	393435	393402
% of total number of valid votes cast	12.81	12.80	12.80	12.80
Invalid Votes	Nil	Nil	Nil	Nil

d. As on date of this report, the company does not propose to pass any special resolution by way of Postal Ballot.

11. Means of Communication

Quarterly/half yearly results are disclosed to Stock Exchanges and also published in daily newspapers viz., Business Standard (all over India) and Makkal Kural (Vernacular). As per the requirements of Regulation 46 of the Listing Regulations, the quarterly/half yearly results and the press release issued annually are displayed on the Company's website www.mrftyres.com. The Company provides information to the Stock Exchanges as per the requirements of the Listing Regulations. No presentations were made to institutional investors / analysts. The Company has a designated e-mail address viz., mrfshare@mrfmail.com, exclusively for investor servicing.

12. Dividend Distribution Policy

Pursuant to Regulation 43A of the Listing Regulations, the Company is required to formulate a dividend distribution policy. The Policy is available on the website of the Company https://www.mrftyres.com/downloads/download.php?filename=Dividend-Distribution-Policy.pdf

13. General Shareholder Information

a) Annual General Meeting:

Date and Time : Thursday, 04th August, 2022 at 11 A.M.

Venue : The company is conducting meeting through Video Conference (VC) / Other Audio Visual Means (OAVM)

b) Financial Year : 1st April to 31st March.

c) Dividend payment date:

Interim Dividend : 03.12.2021
₹ 3 per share (30%)

II Interim Dividend : 04.03.2022
₹ 3 per share (30%)

Final Dividend : 25.08.2022, ₹ 144/- per share (1440%) (subject to approval of shareholders)

d) **Listing on Stock Exchanges:**

1. National Stock Exchange of India Ltd., (NSE) Exchange Plaza, 5th Floor, Plot No. C/1, 5 G Block, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051.
2. Bombay Stock Exchange Ltd., (BSE) Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Mumbai 400 001.

Equity ISIN : INE883A01011

Listing fees upto the year ending 31st March, 2023 have been paid to the above mentioned Stock Exchanges.

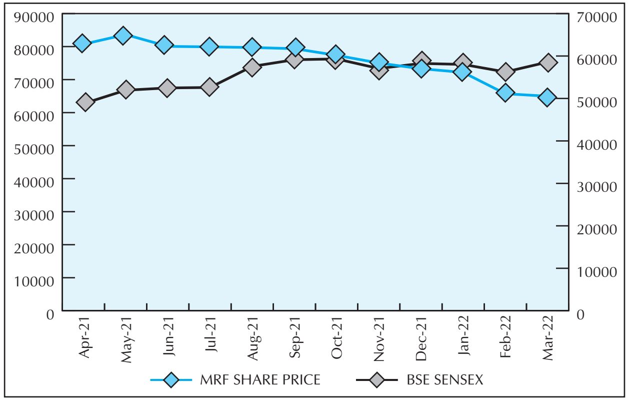
e) **Stock Code**

Bombay Stock Exchange	Code	500290
National Stock Exchange	Symbol	MRF

f) **Market Price Data**

Month	Bombay Stock Exchange [BSE]			National Stock Exchange [NSE]		
	High (₹)	Low (₹)	No. of Shares	High (₹)	Low (₹)	No. of Shares
Apr-2021	84499.95	77151.80	21266	84492.15	77200.00	465390
May-2021	83939.45	76000.00	22451	83965.00	75950.00	360900
Jun-2021	87243.05	79547.00	31408	87300.00	79527.75	340341
Jul-2021	83400.00	79200.15	12252	83450.00	79201.05	190621
Aug-2021	82600.00	75975.00	15758	82664.80	75950.00	277835
Sep-2021	83192.35	78100.00	14665	83200.00	78050.00	267200
Oct-2021	87579.85	76640.20	21281	87550.00	76650.00	339341
Nov-2021	80439.80	73111.00	9977	80489.85	73050.00	221637
Dec-2021	75339.20	68719.90	9389	75360.00	68700.00	193445
Jan-2022	77255.75	69500.00	8066	77299.90	69459.55	161870
Feb-2022	72746.95	62944.50	12890	72680.00	63000.00	299176
Mar-2022	69922.60	63800.05	9128	69889.00	63741.60	230519

g) **Stock Performance: (Monthly Closing Price) Performance in comparison to BSE Sensex**



h) **Registrars and Transfer Agents:** In-house Share Transfer
MRF Limited No. 114,
Greams Road, Chennai - 600 006

In terms of SEBI Circular No. O&CC/FITTC/CIR-15/2002 dated 27th December, 2002, your Company is carrying out both physical share registry work as well as electronic connectivity, in-house.

In-house Investor relations department provides various services viz., dematerialisation and rematerialisation of shares, share transmissions, disbursement of dividend, processing claims for unclaimed dividend/shares, issue of duplicate share certificates, dissemination of information etc. Members are therefore requested to communicate on matters pertaining to physical shares to Secretarial Department, MRF Limited, No. 114, Greams Road, Chennai 600 006.

i) **Share Transfer System**

SEBI has mandated that, effective from 1st April, 2019, no share can be transferred in physical mode. Moreover, SEBI has also mandated that resubmitted cases shall not be accepted / taken up for transfer after 31st March, 2021. Dematerialisation requests received by the Company are normally processed within 10 days of its receipt.

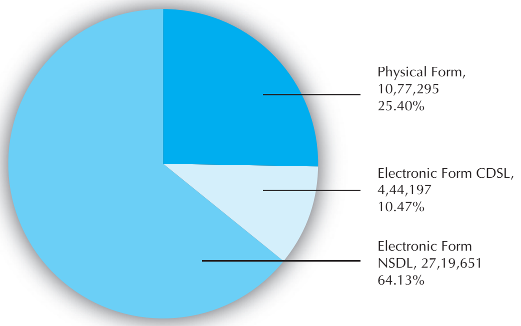
j) **Distribution of shareholding:** (as at 31.03.2022)

Shareholding	No. of Shareholders	%	No. of Shares	%
Upto 100	65169	97.58	407647	9.61
101 - 500	1228	1.84	257724	6.08
501 - 1000	132	0.20	92733	2.19
1001 - 2000	91	0.14	130614	3.08
2001 - 3000	45	0.07	108860	2.57
3001 - 4000	21	0.03	76104	1.79
4001 - 5000	9	0.01	41889	0.99
5001 - 10000	31	0.05	209835	4.95
10001 and above	60	0.08	2915737	68.74
TOTAL	**66786**	**100.00**	**4241143**	**100.00**

k) **Dematerialization of Shares and Liquidity**

74.60% of total equity capital is held in dematerialized form with NSDL and CDSL as on 31st March, 2022. All requests for dematerialization of shares were processed within the stipulated time period and no share certificates were pending for dematerialization.

Trading in equity shares of the Company is permitted only in dematerialized form as per prevailing law.



l) **Outstanding GDR/Warrants/any other convertible instruments**

The Company does not have any outstanding GDR / Warrants / any other convertible instruments.

m) **Commodity price risk or foreign exchange risk and hedging activities:**

i) Risk Management Policy of the Company with respect to commodities including through hedging:

The Company's purchasing strategy does not involve hedging activities and speculative buying. The risks are limited by sourcing from different countries and regions and having long term contracts with prices linked to well accepted market indices and published reports.

ii) Exposure of the Company to commodity risks faced by the entity throughout the year.

A) Total exposure of the Company to commodities in INR: ₹ 4425.25 Crores

B) Exposure of the Company to various commodities:

Commodity Name	Exposure in INR towards the particular commodity	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
Natural Rubber	₹ 4425.25 Crores	263779 MT	NIL	NIL	NIL	NIL	NIL

iii) Foreign Currency Risks:

The Company's policy on hedging foreign currency risks is explained in the notes to the financial statements.

n) **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

i. Number of complaints filed during the financial year: Nil

ii. Number of complaints disposed of during the financial year: Nil

iii. Number of complaints pending as on end of the financial year: Nil

o) **Plant Locations**

1. Tiruvottiyur — Tiruvottiyur, Chennai, Tamil Nadu.
2. Kottayam — Vadavathoor, Kottayam, Kerala.
3. Goa — Usgao, Ponda, Goa.
4. Arkonam — Ichiputhur, Arkonam, Tamil Nadu.
5. Medak — Sadasivapet, Sangareddy, Telangana.
6. Puducherry — Eripakkam Village, Nettapakkam Commune, Puducherry.
7. Ankenpally — Sadasivapet, Sangareddy, Telangana.
8. Perambalur — Naranamangalam Village & Post, Alathur Taluk, Perambalur District (near Trichy), Tamil Nadu.
9. Dahej — Plot No. D-II-16, Dahej Industrial Area, Galenda Village, Taluka - Vagara, Dist. Bharuch, Gujarat

p) **Address for Correspondence:** MRF Limited
No. 114, Greams Road,
Chennai – 600 006.
Tel : (044) 28292777
Fax: (044) 28295087
E-mail : mrfshare@mrfmail.com

14. Other Disclosures

(a) As required under applicable Listing Regulations, your Company has adopted a policy on materiality of and dealing with related party transactions which was approved by the Board of Directors and uploaded on the Company's Website: https://www.mrftyres.com/downloads/download.php?filename=policy-on-materiality-of-and-dealing-with-related-party-transactions.pdf

Requisite approvals from the Audit Committee / Board have been obtained for the transactions as stipulated under applicable law.

The details of related party transactions during the financial year ended 31st March, 2022 are given in note 27d of the financial statements.

During the year under review, your Company has entered into transactions with MRF SG PTE. LTD, a wholly owned subsidiary of your Company for purchase of raw materials and the total value of transactions executed during financial year 2021-2022 exceed the materiality threshold adopted by the Company. These transactions were in the ordinary course of business and were on an arms length basis, details of which are provided in Annexure IV of the Board's Report as required under section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

There are no transactions with any person or entity belonging to the promoters/promoter group which hold(s) 10% or more shareholding in the Company.

During the year under review, there are no materially significant related party transactions that may have potential conflict with the interests of listed entity at large.

(b) The Company has complied with the requirements of the Stock Exchanges/SEBI and statutory authority on all matters related to capital markets during the last three years. No penalties, strictures were imposed on the Company by the Stock Exchange/SEBI or any other statutory authority in respect of the same.

(c) The Company has established a vigil mechanism pursuant to the requirements of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations. No personnel have been denied access to the chairman of the Audit Committee to report genuine concerns. Establishment of vigil mechanism is hosted on the website of the Company under the web link: https://www.mrftyres.com/downloads/download.php?filename=Vigil-Mechanism.pdf

(d) The Company has complied with the mandatory requirements of Corporate Governance prescribed in Schedule II, Part A to D of the Listing Regulations.

(e) The Company has complied with all the applicable mandatory requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

(f) The Board has laid down a Code of Conduct for all Directors and senior management staff of the Company. The code suitably incorporates for the Independent Directors their duties as Independent Directors as laid down in Schedule IV of the Companies Act, 2013. The code of conduct is available on the website: www.mrftyres.com. All Directors and members of the senior management have affirmed their compliance with the code of conduct.

Your Company has also adopted a Code of Conduct to regulate, monitor and report trading by Designated persons and their Immediate Relatives as per SEBI (Prohibition of Insider Trading) Regulations, 2015. All Directors and designated persons who could have access to unpublished price sensitive information of the Company are governed by the Code. An annual disclosure was taken from the Directors and designated persons, as at the end of the year.

(g) The Audit Committee reviews the financial statements of the unlisted subsidiary companies. The minutes of the Board Meetings of the unlisted subsidiary companies are placed at the Board meeting of the Company including statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies.

Your Company has formulated a policy on material subsidiary as required under Regulation 16 of the Listing Regulations and the policy is hosted on the website of the Company under the web link: https://www.mrftyres.com/downloads/download.php?filename=material-subsidary-policy.pdf The Company does not have any material unlisted subsidiary Company.

(h) The Company has issued a formal letter of appointment to all the Independent Directors. The terms and conditions of their appointment have been disclosed on the Company's website under the web link: https://www.mrftyres.com/downloads/download.php?filename=Terms-and-Condiions-of-Appointment-of-Independent-Directors.pdf

During the year, a meeting of the Independent Directors was held as prescribed under applicable Listing Regulations and the Companies Act, 2013. In the opinion of the Board, Independent Director(s) fulfills the conditions specified in the Listing Regulations and are Independent of the Management.

(i) As required under the Listing Regulations, the Board of Directors have identified the following core skills / expertise / competencies as required in the context of its business and sector for it to function effectively.

Core skills / expertise / competencies
General Business / Industry awareness
Functional Knowledge / General Management / Administration
Communication and collaborative approach

The Board collectively has the abovementioned skills / expertise / competence. The names of directors and the skills they possess are given below:

Name of the Director	**General Business/ Industry awareness**	**Functional knowledge/ General Management/ Administration**	**Communication and Collaborative approach**
Mr. K M Mammen	✓	✓	✓
Mr. Arun Mammen	✓	✓	✓
Mr. Rahul Mammen Mappillai	✓	✓	✓
Mr Samir Thariyan Mappillai	✓	✓	✓
Mr. Varun Mammen	✓	✓	✓
Mr. Ashok Jacob	✓	✓	✓
Mr. V Sridhar	✓	✓	✓
Mr. Vijay R Kirloskar	✓	✓	✓
Mr. Ranjit I Jesudasen	✓	✓	✓
Dr. Salim Joseph Thomas	✓	✓	✓

Name of the Director	General Business/ Industry awareness	Functional knowledge/ General Management/ Administration	Communication and Collaborative approach
Mr. Jacob Kurian	✓	✓	✓
Dr. (Mrs) Cibi Mammen	✓	✓	✓
Mrs. Ambika Mammen	✓	✓	✓
Mrs. Vimla Abraham	✓	✓	✓

(j) A Certificate has been received from Mr. K Elangovan, Elangovan Associates, Company Secretaries, Chennai, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such Statutory Authority.

(k) Pursuant to the SEBI circular no. CIR/CFD/ CMD1/27/2019 dated February 8, 2019, the Company has obtained an Annual Secretarial Compliance Report from Mr. K Elangovan, Elangovan Associates, Company Secretaries, Chennai, confirming compliance of SEBI Regulations / Circulars / Guidelines issued thereunder and applicable to the Company. There are no observations or adverse remarks in the said report.

(l) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors for the financial year ended 31st March, 2022 is ₹ 1.24 crores.

(m) List of Credit ratings obtained by the Company: The Ratings given by CARE Ratings Limited for Long term Bank Facilities to the extent of ₹ 2300 crores and Long term/ Short term Bank Facilities to the extent of ₹ 400 crores of the Company are CARE AAA; Stable (Triple A; Outlook :Stable) and CARE AAA; Stable / CARE A1+ (Triple A; Outlook: Stable / A One Triple Plus), respectively.

CARE Ratings Limited has also given CARE A1+ (A One Plus) for Short term Bank Facilities, to the extent of ₹ 1000 crores.

All the above credit ratings were reaffirmed by CARE Ratings Limited.

(n) There was no preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of Listing Regulations.

(o) There was no instance during the financial year 2021- 2022, where the Board of Directors has not accepted the recommendation of any committee of the Board which it was mandatorily required to accept.

(p) Your Company has formulated a policy for determination of materiality of any event or information as required under Regulation 30 of the Listing Regulations and the policy is hosted on the website of the Company under the web link: https://www.mrftyres.com/downloads/download.php?filename=Policy-for-determination-of-Materiality.pdf

15. Discretionary requirements

The Company has adopted the following discretionary requirements:-

a. The Company's quarterly and half yearly results are published in the newspapers and also uploaded on its website: www.mrftyres.com and in Stock Exchange websites namely www.connect2nse.com and listing.bseindia.com. Therefore, no individual communications are sent to the shareholders in this regard.

b. There are no qualifications in the Auditors' Report on the accounts for the financial year ended 31.03.2022.

c. The internal audit head presents the internal audit observations to the Audit Committee.

16. CEO / CFO Certification

Mr. Rahul Mammen Mappillai, Managing Director and Mr. Madhu P Nainan, Vice President Finance, have certified to the Board regarding the financial statements for the financial year ended 31st March, 2022 in accordance with Regulation 17(8) of Listing Regulations.

17. Equity shares in MRF - Unclaimed Suspense Account

As required by the provisions of Regulation 39 (4) read with Schedule V (F) of Listing Regulations, the Company has transferred the unclaimed shares lying in possession of the Company to MRF – Unclaimed Suspense Account. The status of unclaimed shares lying in MRF - Unclaimed Suspense Account as on 31.03.2022 are as under:

Particulars	Number of Members	Number of Shares
Aggregate number of shareholders and the outstanding shares lying in the suspense account at the beginning of the financial year.	230	5977
Number of shareholders who approached the Company for transfer of the shares from suspense account during the financial year 2021-22.	9	280
Shareholders to whom shares were transferred from the suspense account during the year.	9	280
Shares transferred to Investor Education and Protection Fund Authority as required by Section 124 (6) of the Companies Act, 2013 read with rules thereunder.	-	-
Aggregate number of shareholders and the outstanding shares lying in the suspense account as on 31.03.2022	221	5697

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

18. Transfer of shares to Investor Education and Protection Fund (IEPF)

Pursuant to the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as "IEPF Rules"), dividends that are unpaid or unclaimed for a period of seven years from the date of their transfer are required to be transferred by the Company to the IEPF, administered by the Central Government. Further, according to the said IEPF Rules, shares in respect of which dividend has not been claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority.

During the financial year 2021-2022, the Company has transferred a total of 67 shares to IEPF. The Company has also transferred a sum of ₹ 3793854 being unclaimed dividend to IEPF.

The dividend amount and shares transferred to the IEPF can be claimed by the concerned members from the IEPF Authority after complying with the procedure prescribed under the IEPF Rules.

19. Declaration

As required by Para D of Schedule V to the Listing Regulations, it is hereby confirmed and declared that all the members of the Board and senior management have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March, 2022.

On behalf of the Board of Directors

K M MAMMEN
Chairman & Managing Director
DIN: 00020202

Place: Chennai
Date: 10th May, 2022

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF MRF LIMITED

1. We, M M NISSIM & CO LLP & MAHESH, VIRENDER & SRIRAM, Chartered Accountants, the Statutory Auditors of MRF LIMITED ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended 31 March, 2022, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Paras C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

MANAGEMENT'S RESPONSIBILITY

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

AUDITORS' RESPONSIBILITY

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

OPINION

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Paras C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2022.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For M M NISSIM & CO LLP
Chartered Accountants
Firm Regn. No. 107122W/W100672

N Kashinath
Partner
Mem. No. 036490
UDIN: 22036490AIRUVD6018

Place: Chennai
Date: 10th May,2022

For MAHESH, VIRENDER & SRIRAM
Chartered Accountants
Firm Regn. No. 001939S

B R Mahesh
Partner
Mem. No. 18628
UDIN: 22018628AIRVER4955

Place : Hyderabad
Date: Date: 10th May,2022

BUSINESS RESPONSIBILITY REPORT (BRR)

Section A: General information about the Company

1.	Corporate Identity Number (CIN)	L25111TN1960PLC004306
2.	Name of the Company	MRF LIMITED
3.	Registered address	114, Greams Road, Chennai 600006
4.	Website	www.mrftyres.com
5.	E-mail Id	mrfshare@mrfmail.com
6.	Financial year reported	1st April, 2021 to 31st March, 2022
7.	Your Company is engaged in (industrial activity code-wise)	
	Group*	Description
	221	Manufacture and sale of Automotive tyres, Tubes, Flaps etc.

*As per National Industrial Classification – Ministry of Statistics and Programme Implementation

8. The key products that your Company manufactures (as per Balance Sheet) are:

   Automotive tyres, tubes, flaps etc.

9. Total number of locations where business activity is undertaken by your Company: (On a standalone basis)

   i. Number of International Locations – 3

   ii. Number of National Locations – 198

10. Markets served by your Company:

Local	State	National	International
✓	✓	✓	✓

Section B: Financial details of the Company

1. Paid up Capital : ₹ 4,24,11,430
2. Total Turnover (Revenue from operations) : ₹ 18989 crores.
3. Total profit after taxes : ₹ 647 crores.
4. Total spending on corporate social responsibility (CSR) as percentage of profit after tax (PAT) (%): Your Company's total spending on CSR for the financial year April 2021 to March 2022 is ₹ 17.62 crores.

   The sum of ₹ 17.62 crores constitutes 2.72% of profit after tax for the year ended 31st March, 2022. In addition to the above, the Company has during the year, transferred a sum of ₹ 16.30 crores towards shortfall in total spending for the financial year 31st March, 2022 to the CSR Unspent Account maintained by the Company towards identified CSR Projects.
5. Some of the areas for which expenditure in 4 above has been incurred: Disaster management including relief, promotion of education, environmental sustainability, livelihood enhancement, vocational skill development, promoting health care, safe drinking water, training for sports, sanitation and hygiene and rural development projects.

Section C: Other details

1. Does the Company have any Subsidiary Company/ Companies? Yes
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s): The subsidiary companies being unlisted companies have not yet commenced any such activities.
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]: No

Section D: Business Responsibility Information

1. Details of Director/Directors responsible for BR

   a. Details of the Directors responsible for implementation of the BR policy

      a) Mr. K M Mammen (DIN : 00020202), Chairman & Managing Director, Tel. No. : +91 44 28292777,
      E-mail Id : mrfshare@mrfmail.com

      b) Mr. Arun Mammen (DIN : 00018558), Vice Chairman and Managing Director, Tel. No. : +91 44 28292777,
      E-mail Id : mrfshare@mrfmail.com

   b. Details of the BR head
      Same as above.

2. Principle-wise [as per National Voluntary Guidelines (NVGs)] BR Policy/policies (Reply in Y/N)

MRF has always adhered to good business practices in all facets of its operations. The Company adopts sound corporate governance processes and procedures. The Company has been an ISO certified organization for several years. All the manufacturing locations of MRF are certified for ISO 14001, ISO 45001, Quality Management System (ISO 9001:2015, IATF 16949:2016 and AS9100D Aerospace certification for Medak and Arakonam plants).

The Board of Directors has also adopted a Business Responsibility Policy ("BR Policy") addressing the principles set out in the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs). This policy is operationalized and supported by various other policies, procedures, guidelines and manuals.

(a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for.......	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the Policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/ international standards?[b]	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Directors?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	www.mrftyres.com/shareholder-info-policies								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Notes:

a. P1 - Ethics etc., P2 - Product Responsibility, P3 - Employee Wellbeing, P4 - Stakeholder Engagement, P5 - Human Rights, P6 - Environment, P7 - Public Policy, P8 - CSR, P9 - Customer Relations.

b. The policies have been formulated taking into consideration statutory requirements (which are modelled based on national and international conventions/standards) and applicable standards of ISO 9001, ISO 14001, OHSAS 18001.

(b) If answer to the question at serial number (a) against any principle, is 'No', please explain why: Not applicable.

3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the BR performance of the Company

  Within 3 months, 3-6 months, Annually, More than 1 year:

  The Board of Directors of the Company, annually reviews the various initiatives forming part of the BR performance of the Company. The CSR Committee reviews the implementation of the projects/ programmes/activities once in about 3 months.

The Chairman & Managing Director and the Vice Chairman & Managing Director deliberate on issues relating to the BR when the respective functional review is done (1-6 months).

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

  The Company publishes the information on BR which forms part of the Annual Report of the Company. The Annual Report is uploaded on the website of the Company – www.mrftyres.com/financial-results.

Section E: (Principle-wise Performance)

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

   Yes. The Company has laid down a Code of Conduct for its operations. This covers issues, inter alia, related to ethics etc. It extends to all dealings between the Company and its stakeholders.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   During the financial year 2021-2022, 16 complaints were received from the shareholders, which have been attended to. The complaints are in the nature of non-receipt of dividends, share transmissions, demat requests etc. The Stakeholders' Relationship Committee at its meeting reviews the complaints and the status of their resolution.

Principle 2

1. List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   a) Your Company has adopted sustainability as our main goal and protecting the environment is key to meet the goal. To meet the emission norms under R117 and AIS 142, we have developed several low RR tyres which were approved by Indian and global passenger car original equipment manufacturers (OEMs). We have also improved the share of sustainable raw materials in such tyres.

   b) To improve sustainability of tyre manufacturing, your company is working on a multipronged strategy, which include tyres with improved share of sustainable raw materials, CO_2 reduction in manufacturing by improving the energy efficiency of the processes and promoting renewable electricity in tyre manufacturing, sustainable transportation strategies for staff and materials, low rolling resistance tyres and recycling end of life tyres.

   c) Towards import substitution, we are working on developing raw materials such as Sulphur, resource formaldehyde resin, emulsion SBR, butyl rubber, microcrystalline wax, super tackifier resin, etc., jointly with domestic partners.

2. Does the Company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   30% of our raw material is naturally sourced. Further about 2% of our raw materials are recycled materials.

   94% of our manufactured raw materials are sourced from suppliers who have ISO 14001. Our vendors are committed to MRF supplier code of conduct and Green Procurement policy guidelines. We along with our supply chain, focus our activities to improve performance of our products and services including transportation which are environment friendly.

3. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors? –

   Your Company has developed some local vendors for execution of activities like servicing and maintenance of machines, mould repair, engineering correction jobs, etc.

4. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   Work-in-progress (WIP) compounds not meeting dimensional requirements are reworked with parent compound. Dust collector black and chemicals are used in non critical products. Treated sewage water through UF with RO Plant reused as boiler feed water for steam generation. As regards rejected finished goods, Company sells scrap to authorised recyclers who convert them to usable materials. (Butyl compound scrap, Compound scrap, Scrap Fabric, Trimmings, Bladder Scrap, PCTR cut pieces, Empty barrels, waste oil, film waste etc).

   Reclaim rubber made from scrap butyl compounds sold to scrap dealers are purchased and used in certain compounds in fixed percentages.

Principle 3

1. Please indicate the total number of employees: 18734 permanent employees.
2. Please indicate the total number of employees hired on temporary/contractual/casual basis: 12678
3. Please indicate the number of permanent women employees: 44
4. Please indicate the number of permanent employees with disabilities: 73 (Increased from 48)
5. Do you have an employee association that is recognized by management: Yes
6. What percentage of your permanent employees is members of this recognized employee association? 100% of workmen are members of Unions. 81.66% of the unionised employees are members of recognized unions.
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour / forced labour / involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? (a) Permanent Employees – 49.26%; (b) Permanent Women Employees – 11.36%; (c) Casual/Temporary/Contractual Employees – 42.87%; (d) Employees with Disabilities – 21.92%.

Principle 4

1. Has the Company mapped its internal and external stakeholders? Yes
2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders - Underprivileged rural youth.
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

   The MRF Institute of Drivers Development (MIDD), a pioneering institute providing driver training to Light and Heavy commercial vehicles has a track record of 3 decades. Right from its inception, the institute epitomized a mission far nobler than merely training drivers. The objective was of moulding rural youngsters who were deprived of opportunities, into competent and cultured professionals, contributing immensely to the road transport industry and the society at large. The institute has turned out 111 drivers during the year 2021-22, including 15 drivers who have done a refresher course. Immediately after training, placement assistance is provided for all needy drivers, with reputed transporters and fleet operators.

Principle 5

1. Does the policy of the Company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?

   While the Company's human resource policies are intended to ensure adherence with applicable labour laws governing work place practices, contractual obligations are also stipulated in engagements with suppliers and contractors on compliance with applicable regulations.

2. How many stakeholder complaints have been received in the past financial year and what per cent was satisfactorily resolved by the management? Nil

Principle 6

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ others.

   Your Company's EHS Policy covers all manufacturing plants of the company and scope extends to employees and contractors. The policy addresses compliance to legal, statutory, regulatory and customer specific requirements related to environment, health and safety.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

   Green house gas emission reduction is proposed through identification of proposals to increase use of renewable energy, clean fuels and environment friendly materials are an ongoing activity.

3. Does the Company identify and assess potential environmental risks?

   Yes. As part of Environmental Management System (EMS), the environmental risks are identified, assessed through Environmental Aspect and Impact Assessment Form. Based on this, Environmental Management Programs (EMP) are initiated. All our Plants are certified for EMS ISO 14001: 2015 by TuV Nord.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

   Projects on clean technology, energy efficiency, renewable energy are part of continuous ongoing activities in plants.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

   Yes. Evaluating proposals for usage of Solar Energy, Clean fuel usage for Boilers and steps being taken for replacing steam curing media with alternate media are under consideration.

   Details of the initiatives taken are detailed in Annexure I to the Board's Report. The Annual Report is uploaded on the website of the Company – www.mrftyres.com/financial results.

6. Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   The Emissions/Waste generated by the company are within the permissible limits given by CPCB/SPCB. The reports are submitted periodically to the respective State PCBs. The same is being reviewed and verified during internal audits & external audits.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. Not resolved to satisfaction) as on end of financial year.

   Nil.

Principle 7

1. Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with:

   (a) Automotive Tyre Manufacturers Association

   (b) Confederation of Indian Industry

   (c) Federation of Indian Chambers of Commerce and Industry

   (e) The Madras Chamber of Commerce and Industry

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good?

   We initiate our own welfare programme. With the above associations, we have ventured into skill development of rubber growers. We, on our own, run drivers' training institute, not only to meet the shortage of drivers but also to inculcate good ethical practices amongst these drivers. This programme provides an opportunity for underprivileged youth to become competent and cultured professionals in the road transport industry.

Principle 8

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.

   The Company has constituted a Corporate Social Responsibility Committee. Based on the CSR Committee's recommendation, the Board has approved a CSR policy. Details of the policy and the programmes undertaken are given in the CSR Report. (Annexure II to the Board's Report).

2. Are the programmes/projects undertaken through in-house team/ own foundation/external NGO/government structures/any other organization?

   In-house team / Own Foundation/external NGO / government structures.

3. Have you done any impact assessment of your initiative?

   The CSR Committee reviews the implementation of the projects undertaken. Reports are sought from the implementing agencies to understand the impact of the initiatives. Likewise in case of in-house projects, the same is reviewed and monitored. As required under the amended CSR rules, impact assessment for qualifying projects will be done next year.

4. What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.

   Details are given in the CSR Report. (Annexure II to the Board's Report)

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   The Company's CSR projects have been primarily focused on disaster management including relief, promotion of education, environmental sustainability, livelihood enhancement, vocational skill development, promoting health care, safe drinking water, training for sports, sanitation and hygiene and rural development projects. The project proponents interact with the implementing agency concerned to promote the adoption by the community concerned, wherever necessary.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

   0.79% of customer complaints are pending as at the end of the financial year.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A./Remarks (additional information) –

   No/NA as only passenger, some select motorcycle tyres and tubes carry labels.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.-

   The Competition Commission of India has on 2nd February, 2022 released its order dated 31st August,2018, imposing penalty of Rs 622.09 Crores on the Company for breach of provisions of the Competition Act, 2002 during the year 2011-2012. The Company has filed an appeal before the National Company Law Appellate Tribunal [NCLAT]. The Company believes that the order of the Commission is not based on a proper appreciation of facts and law.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

   Yes

On behalf of the Board of Directors

K M MAMMEN
Chairman & Managing Director
DIN: 00020202

Chennai
10th May, 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MRF LIMITED

1. Opinion

We have audited the Separate financial statements (also known as Standalone Financial Statements) of **MRF Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (IND AS) prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March 2022, and its profit (financial performance including Other Comprehensive Income), the Changes in Equity and its Cash Flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

3. Emphasis of Matter

We draw attention to Note 27(p) to the Standalone Financial Statement which describe the following matter :

In terms of the Order dated 31st August 2018 the Competition Commission of India (CCI) has on 2nd February 2022 released its Order imposing penalty on the Company concerning the breach of provisions of the Competition Act, 2002 during the year 2011-2012 and imposed a penalty of ₹ 622.09 Crores on the Company. The Company has filed an appeal against the CCI Order before the National Company Law Appellate Tribunal (NCLAT). Based on the Company's assessment on the outcome of the appeal, the Company is of the view that no provision is necessary in respect of this matter in the Standalone Financial Statements.

Our opinion is not modified in respect of this matter.

4. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matter	Our Response
1	**Defined Benefit Obligation** The valuation of the retirement benefit schemes in the Company is determined with reference to various actuarial assumptions including discount rate, future salary increases, rate of inflation, mortality rates and attrition rates.	We have examined the key controls over the process involving member data, formulation of assumptions and the financial reporting process in arriving at the provision for retirement benefits. We tested the controls for determining the actuarial assumptions and the approval of those assumptions by senior management. We found these key controls were designed, implemented and operated effectively, and therefore determined that we could place reliance on these key controls for the purposes of our audit.

<table>
<tr><th>Sr. No.</th><th>Key Audit Matter</th><th>Our Response</th></tr>
<tr><td></td><td>Due to the size of these schemes, small changes in these assumptions can have a material impact on the estimated defined benefit obligation.</td><td>We tested the employee data used in calculating the obligation and where material, we also considered the treatment of curtailments, settlements, past service costs, remeasurements, benefits paid, and any other amendments made to obligations during the year. From the evidence obtained, we found the data and assumptions used by management in the actuarial valuations for retirement benefit obligations to be appropriate.</td></tr>
<tr><td>2.</td><td>Warranty Provision

The Company makes an estimated provision for assurance type warranties at the point of sale. This estimate is based on historical claims data.</td><td>We understood and tested the controls over the assumptions applied in arriving at the warranty provision, particularly vouching of relevant data elements with provision calculations; validation of formula used in the warranty spread sheet; management review control of the relevant internal and external factors impacting the provision.</td></tr>
<tr><td>3.</td><td>Litigation, Claims and Contingent Liabilities
(Refer Note 27(p), to be read along with Emphasis of matter in Independent Auditor’s Report)
The Company is exposed to variety of different laws, regulations and interpretations thereof. Consequently, in the normal course of business, Provisions and Contingent Liabilities may arise from legal proceedings, constructive obligations and commercial claims.
• Management applies significant judgement when considering whether and how much to provide for the potential exposure of each matter.
• These estimates could change substantially over time as new facts emerge as each legal case or matters progresses.
• Given the different views possible, basis the interpretations, complexity and the magnitude of potential exposures and the judgement necessary to estimate the amount of provision required or determine required disclosures.</td><td>• We understood the processes, evaluated the design and implementation of controls and tested the operating effectiveness of the Company’s controls over the recording and re-assessment of uncertain legal positions, claims and contingent liabilities.
• We held discussions with senior management including the person responsible for legal and compliance to obtain an understanding of the factors considered by management in classification of the matter as ‘probable’, ‘possible’ and ‘remote’.
• Examined the Company’s legal expenses on sample basis and read the minutes of the board meetings in order to ensure completeness.
• With respect to tax matters, involving our tax specialists, and discussing with the Company’s tax officers, their views and strategies on significant cases, as well as the related technical grounds relating to their conclusions based on applicable tax laws.
• Assessing the decisions and rationale for provisions held or for decisions not to record provisions or make disclosures.
• For those matters where management concluded that no provisions should be recorded, considering the adequacy and completeness of the Company’s disclosures.</td></tr>
</table>

5. **Information Other than the Standalone Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Report on Corporate Governance, Business Responsibility Report, but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

6. **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, Changes in Equity and Cash Flows of the Company in accordance with the IND AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

7. **Auditor's Responsibility for the audit of the Standalone Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of

the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

8. Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143(3) of the Act, based on our audit, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Standalone Financial Statements comply with the IND AS prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) As required by section 197(16) of the Act, based on our audit, we report that the Company has paid and provided for remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 27 (p) to the Standalone Financial Statements;

   ii. The Company has long-term contracts including derivative contracts for which there were no material foreseeable losses; and

   iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. (a) As represented to us by the management and to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (Intermediaries), with the understanding whether recorded in writing or otherwise that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

   (b) As represented to us by the management and to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

   (c) Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that causes us to believe that the above representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement.

   v. The Company has complied with the provisions with respect to Section 123 of the Companies Act, 2013 in respect of final dividend proposed in the previous year, interim dividends declared and paid by the company during the year and the proposed final dividend for the year which is subject to the approval of members at the ensuing Annual General Meeting.

For M M NISSIM & CO. LLP	For MAHESH, VIRENDER & SRIRAM
Chartered Accountants	Chartered Accountants
Firm Reg. No. 107122W / W100672	Firm Reg. No. 001939S
N KASHINATH	B R MAHESH
Partner	Partner
Mem. No. 36490	Mem. No. 18628
UDIN: 22036490AIRUOC1601	UDIN: 22018628AIRTBA5362
Place: Chennai	Place : Hyderabad
Date : 10th May, 2022	Date : 10th May, 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MRF LIMITED

(i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and right-of-use assets;

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) The Assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size and the nature of its business. The frequency of verification is reasonable and no material discrepancies have been noticed on such physical verification. All discrepancies have been properly dealt with in the books of accounts;

(c) Based on our examination of the registered sale deed / transfer deed / conveyance deed / property tax paid documents (which evidences title) provided to us, we report that, the title in respect of self – constructed buildings and title deeds of all other immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its property, Plant and Equipment (including of right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31st March 2022 for holding any benami property under the Benami Transaction (Prohibition) Act, 1988, as amended and rules made thereunder.

(ii) (a) The inventory, except for goods in transit and stocks held with third parties, has been physically verified by the management during the year at reasonable intervals. In our opinion, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and the nature of its operation. For stocks held with third parties at the year end, written confirmations have been obtained and in respect of goods in transit, the goods have been received subsequent to the year-end or confirmation have been obtained. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such physical verification of inventory when compared with books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at any point of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns and other stipulated financial information filed by the Company with such banks are in agreement with the unaudited books of account of the Company for the first three quarters and with the audited books of account in respect of fourth quarter ending 31st March 2022 and there are no material discrepancies.

(iii) The Company has made investments in companies and other entities. The Company has not provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.

(a) The Company has not provided any loans or advances in the nature of loans or stood guarantee or provided security to any other entity during the year and hence reporting under clauses (iii)(a), (c), (d), (e) and (f) of the order are not applicable.

(b) In our opinion, the investments made in companies are, prima facie, not prejudicial to the company's interest.

(iv) In our opinion, in respect of investments made, the Company has complied with the provisions of Section 186 of the Act.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 as amended. Accordingly, the provisions of clause 3(v) of Para 3 of the Order are not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

(vii) (a) The Company is regular in depositing undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales-Tax, Service Tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with appropriate authorities, where applicable. There are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2022 for a period of more than six months from the date they became payable.

(b) According to the records of the Company, the statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March 2022 on account of any dispute, are as follows:

Statute and nature of dues	Financial year to which the matter pertains	Forum where dispute is pending	₹ Crores
CENTRAL SALES TAX ACT, 1956 and VAT LAWS			
Sales tax / VAT and Penalty	1999-2000, 2000-01, 2002-03, 2003-04, 2006-07, 2009-10 to 2018-19	Appellate Commissioner	132.95
	1996-97 to 2010-11, 2014-15, 2016-17	Appellate Tribunal/Board	19.49
	1996-97, 2006-07 to 2017-18	High Court	43.59
CUSTOMS ACT, 1962			
Customs Duty and Penalty	1992-93 to 1994-95	High Court	74.89
CENTRAL EXCISE ACT, 1944 and FINANCE ACT, 1994			
Excise duty, Service tax and Penalty	2012-13 to 2016-17	Director General Goods and Service Tax	221.31
	1997-98,1998-99, 2006-07 to 2010-11,2014-15 to 2017-18	Appellate Commissioner	5.24
	2008-09 to 2017-18	Appellate Tribunal	38.46
	2001-02	Supreme Court	0.06
INCOME TAX, 1961			
Income Tax	2013-14 to 2015-16	Appellate Commissioner	38.24
	2014-15	Appellate Tribunal	20.58
	2002-03, 2005-06,2008-09 to 2013-14	High Court	3.53
GOODS & SERVICES TAX			
GST	2017-18, 2019-20 and 2020-21	Appellate Commissioner	1.57

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

(x) (a) The Company has not raised any moneys by way of Initial public offer or further Public offer (including debt instruments), during the year and hence reporting under Clause (x) (a) of Para 3 of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of share or fully convertible debentures (fully, partially or optionally convertible) during the year and accordingly provisions of clause (x)(b) of Para 3 of the Order are not applicable to the Company.

(xi) (a) On the basis of our examination and according to the information and explanations given to us, no fraud by the Company or any material fraud on the Company has been noticed or reported during the year, nor have we been informed of any such case by the management.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and accordingly provisions of clause (xii)of Para 3 of the Order are not applicable to the Company.

(xiii) On the basis of our examination and according to the information and explanations given to us, we report that all the transaction with the related parties are in compliance with Section 177 and 188 of the Act, and the details have been disclosed in the Standalone Financial Statements in Note 27(d) as required by the applicable Indian Accounting Standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non -cash transactions with directors or persons connected with the directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, provisions of clause (xvi)(a) of Para 3 of the Order are not applicable to the Company.

(b) During the year, the Company has not conducted any Non-Banking Financial or Housing Finance activities and accordingly, provisions of clause (xvi)(b) of Para 3 of the Order are not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the Regulations made by the Reserve Bank of India and accordingly the provisions of clause (xvi)(c) of Para 3 of the Order is not applicable to the Company.

(d) The group does not have any CIC as a part of the group and accordingly reporting under clause (xvi)(d) of Para 3 of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses during the Financial Year covered by our audit and in the immediately preceding Financial Year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on 'other than ongoing ' projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with the provision of sub-section (5) of section 135 of the said Act. Accordingly, reporting under clause (xx) (a) of Para 3 of the Order is not applicable for the year.

(b) In respect of 'ongoing' projects, the Company has transferred unspent CSR amount, to a special account within a period of 30 days from the end of the said financial year in compliance with the provisions of sub section (6) of section 135 of the said Act.

For M M NISSIM & CO. LLP	For MAHESH, VIRENDER & SRIRAM
Chartered Accountants	Chartered Accountants
Firm Reg. No. 107122W / W100672	Firm Reg. No. 001939S
N KASHINATH	B R MAHESH
Partner	Partner
Mem. No. 36490	Mem. No. 18628
UDIN: 22036490AIRUOC1601	UDIN: 22018628AIRTBA5362
Place: Chennai	Place : Hyderabad
Date : 10th May, 2022	Date : 10th May, 2022

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MRF LIMITED.

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("the Act")

1. OPINION

We have audited the internal financial controls with reference to Financial Statements of **MRF LIMITED** ("the Company") as of **March 31, 2022** in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Financial Statements and such controls were operating effectively as at March 31, 2022, 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 issued by the Institute of Chartered Accountants of India (ICAI).

2. 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. 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 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 reliable financial information, as required under the Act.

3. AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements includes obtaining an understanding of such internal financial controls, 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Financial Statements.

4. MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

5. INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

For M M NISSIM & CO. LLP	For MAHESH, VIRENDER & SRIRAM
Chartered Accountants	Chartered Accountants
Firm Reg. No. 107122W / W100672	Firm Reg. No. 001939S
N KASHINATH	B R MAHESH
Partner	Partner
Mem. No. 36490	Mem. No. 18628
UDIN: 22036490AIRUOC1601	UDIN: 22018628AIRTBA5362
Place: Chennai	Place : Hyderabad
Date : 10th May, 2022	Date : 10th May, 2022

MRF LIMITED, CHENNAI

BALANCE SHEET AS AT 31ST MARCH, 2022

(₹ Crores)

	Note	As at 31.03.2022	As at 31.03.2021
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2 (a (1, 2))	9445.06	9366.83
Capital Work-in-Progress	2 (b)	1225.81	1001.03
Other Intangible Assets	2 (c)	21.21	24.31
Financial Assets			
- Investments	3	1155.53	1150.34
- Loans	4	0.82	2.67
- Other Financial Assets	5	72.94	18.94
Non Current Tax Asset (Net)		241.77	256.60
Other Non-current Assets	6	586.05	291.42
Current Assets			
Inventories	7	4061.72	2880.33
Financial Assets			
- Investments	3	2509.69	4725.83
- Trade Receivables	8	2283.26	2112.20
- Cash and Cash Equivalents	9	113.11	102.80
- Bank Balances other than Cash and Cash Equivalents	10	1.74	2.54
- Loans	4	3.18	6.77
- Other Financial Assets	5	766.97	60.28
Other Current Assets	6	204.54	256.69
TOTAL ASSETS		22693.40	22259.58
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	SOCE	4.24	4.24
Other Equity	SOCE	13773.03	13174.62
Total Equity		13777.27	13178.86
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
- Borrowings	11	817.21	811.76
- Lease Liability		350.87	312.63
- Other Financial Liabilities	16	106.83	-
Provisions	12	218.67	211.25
Deferred Tax Liabilities (Net)	13	393.30	378.50
Other Non-current Liabilities	14	182.54	184.22
Current Liabilities			
Financial Liabilities			
- Borrowings	11	1186.51	334.27
- Lease Liability		60.08	54.99
- Trade Payables			
(A) total outstanding dues of micro enterprises and small enterprises;	15	58.26	54.21
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	15	2716.06	4055.35
- Other Financial Liabilities	16	399.47	444.00
Other Current Liabilities	14	2246.29	2039.81
Provisions	12	180.04	199.73
Total Liabilities		8916.13	9080.72
TOTAL EQUITY AND LIABILITIES		22693.40	22259.58
Significant Accounting Policies	1		

Accompanying Notes are an integral part of these Financial Statements
This is the Balance Sheet referred to in our report of even date

For M M NISSIM & CO LLP
Chartered Accountants
Firm Reg. No. 107122W / W100672

For MAHESH, VIRENDER & SRIRAM
Chartered Accountants
Firm Reg. No. 001939S

N. KASHINATH
Partner
Mem. No. 036490
Chennai
Dated 10th May, 2022

B R MAHESH
Partner
Mem. No. 18628
Hyderabad

MADHU P NAINAN
Vice President Finance

S DHANVANTH KUMAR
Company Secretary
Chennai

JACOB KURIAN
Director
DIN: 00860095

V SRIDHAR
Director
DIN: 00020276

K M MAMMEN
Chairman & Managing Director
DIN: 00020202

MRF LIMITED, CHENNAI

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ Crores)

	Note	Year ended 31.03.2022	Year ended 31.03.2021
INCOME			
Revenue from Operations	17	18989.51	15921.35
Other Income	18	314.92	207.23
TOTAL INCOME		19304.43	16128.58
EXPENSES			
Cost of materials consumed	19	13254.45	8853.63
Purchases of Stock-in-Trade	27(q(2))	17.01	15.78
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	20	(844.92)	359.36
Employee Benefits Expense	21	1471.94	1387.87
Finance Costs	22	247.01	264.72
Depreciation and Amortisation Expense	2 (a (1, 2)) and (c)	1201.41	1136.92
Other Expenses	23	3078.37	2410.03
TOTAL EXPENSES		18425.27	14428.31
PROFIT BEFORE TAX		879.16	1700.27
TAX EXPENSE			
Current Tax		221.95	489.72
Deferred Tax		9.87	(38.51)
TOTAL TAX EXPENSE		231.82	451.21
PROFIT FOR THE YEAR		647.34	1249.06
OTHER COMPREHENSIVE INCOME (OCI)			
Items that will not be reclassified to Profit or Loss			
Remeasurements of Defined benefit plans	27(g(iv))	14.07	(20.90)
Income Tax relating to items that will not be reclassified to Profit or Loss		(3.54)	5.26
Items that may be reclassified to Profit or Loss			
Fair value of cash flow hedges through other comprehensive income		2.25	(13.05)
Fair value of debt instruments through other comprehensive income		3.28	(9.01)
Income tax relating to items that may be reclassified to Profit or Loss		(1.39)	5.56
TOTAL OTHER COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR, NET OF TAX		14.67	(32.14)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		662.01	1216.92
EARNINGS PER EQUITY SHARE	27 (m)		
Basic		1526.34	2945.09
Diluted		1526.34	2945.09
Significant Accounting Policies	1		

Accompanying Notes are an integral part of these Financial Statements

This is the Statement of Profit and Loss referred to in our report of even date

For M M NISSIM & CO LLP
Chartered Accountants
Firm Reg. No. 107122W / W100672

For MAHESH, VIRENDER & SRIRAM
Chartered Accountants
Firm Reg. No. 001939S

N. KASHINATH
Partner
Mem. No. 036490
Chennai
Dated 10th May, 2022

B R MAHESH
Partner
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Company Secretary
Chennai

JACOB KURIAN
Director
DIN: 00860095

V SRIDHAR
Director
DIN: 00020276

K M MAMMEN
Chairman &
Managing Director
DIN: 00020202

STATEMENT OF CHANGES IN EQUITY (SOCE) FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ Crores)

EQUITY SHARE CAPITAL	As at 31.03.2022 Number	As at 31.03.2021 Number	As at 31.03.2022 Amount	As at 31.03.2021 Amount
Authorised Share Capital	9000000	9000000	9.00	9.00
Issued Share Capital (Excludes 71 bonus shares not issued and not allotted on non-payment of call monies)	4241143	4241143	4.24	4.24
Subscribed Share Capital	4241143	4241143	4.24	4.24
Fully Paid-up Share Capital	4241143	4241143	4.24	4.24
Balance at the beginning of the reporting year	4241143	4241143	4.24	4.24
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the reporting year	4241143	4241143	4.24	4.24
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting year	**4241143**	**4241143**	**4.24**	**4.24**

Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital

The company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividends proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. 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.

The Company has declared two interim dividends aggregating to ₹ 2.54 Crores (Previous year - ₹ 2.54 Crores) which has already been distributed during the Financial Year 2021-22.

Shares in the Company held by each shareholder holding more than five percent shares	As at 31.03.2022 No.	As at 31.03.2022 %	As at 31.03.2021 No.	As at 31.03.2021 %
Comprehensive Investment and Finance Company Private Limited	441834	10.42%	440719	10.39%
MOWI Foundation	507984	11.98%	507984	11.98%

(₹ Crores)

OTHER EQUITY	Reserves and Surplus				Other Comprehensive Income (OCI)		TOTAL
	Securities Premium	General Reserve	Remeasurements of Defined Benefit Plans	Retained Earnings	Cash Flow Hedges through OCI	Debt Instruments through OCI	
Balance at the beginning of the comparative reporting year - 1st April 2020	**9.42**	**12036.48**	**(57.14)**	**-**	**11.35**	**-**	**12000.11**
Changes in Accounting Policy or Correction of Prior Period Errors	-	-	-	-	-	-	-
Restated balance as at 1st April 2020	9.42	12036.48	(57.14)	-	11.35	-	12000.11
Profit for the Comparative Year ending 31st March 2021	-	-	-	1249.06	-	-	1249.06
Other Comprehensive (Loss) / Income for the Year ending 31st March 2021 *	-	-	(15.64)	-	(9.76)	(6.74)	(32.14)
Total Comprehensive Income for the Comparative year	**-**	**-**	**(15.64)**	**1249.06**	**(9.76)**	**(6.74)**	**1216.92**
Transactions with owners in their capacity as owners:							
Dividends and Dividend Distribution Tax;	-	-	-	-	-	-	-
- Interim Dividends (₹ 6 per share)	-	-	-	(2.54)	-	-	(2.54)
- Final Dividend (₹ 94 per share)	-	-	-	(39.87)	-	-	(39.87)
- Dividend Distribution Tax	-	-	-	-	-	-	-
Transfer to General Reserve	-	1206.65	-	(1206.65)	-	-	-
Balance at the beginning of the reporting year	**9.42**	**13243.13**	**(72.78)**	**-**	**1.59**	**(6.74)**	**13174.62**
Changes in Accounting Policy or Correction of Prior Period Errors	-	-	-	-	-	-	-
Restated balance as at 1st April 2021	9.42	13243.13	(72.78)	-	1.59	(6.74)	13174.62
Profit for the reporting year ending 31st March 2022	-	-	-	647.34	-	-	647.34
Other Comprehensive (Loss) / Income *	-	-	10.53	-	1.69	2.45	14.67
Total Comprehensive Income for the Reporting year	**-**	**-**	**10.53**	**647.34**	**1.69**	**2.45**	**662.01**

(₹ Crores)

OTHER EQUITY (contd.)	Reserves and Surplus				Other Comprehensive Income (OCI)		TOTAL
	Securities Premium	General Reserve	Remeasure-ments of Defined Benefit Plans	Retained Earnings	Cash Flow Hedges through OCI	Debt Instruments through OCI	
Transactions with owners in their capacity as owners:							
Dividends and Dividend Distribution Tax;	-	-	-	-	-	-	-
- Interim Dividends (₹ 6 per share)	-	-	-	(2.54)	-	-	(2.54)
- Final Dividend and Special Dividend (₹ 144 per share)	-	-	-	(61.06)	-	-	(61.06)
Transfer to General Reserve	-	583.74	-	(583.74)	-	-	-
Balance at the end of the reporting year ending 31st March 2022	**9.42**	**13826.87**	**(62.25)**	**-**	**3.28**	**(4.29)**	**13773.03**

* Gain of ₹ 10.53 Crores and Loss of ₹ 15.64 Crores on re-measurement of defined benefit plans (net of tax) is recognised as part of Reserves and Surplus for the year ended 31st March 2022 and 31st March 2021, respectively.

Securities Premium	Amounts received in excess of par value on issue of shares is classified as Securities Premium.
General Reserve	General Reserve represents accumulated profits and is created by transfer of profits from Retained Earnings and it is not an item of Other Comprehensive Income and the same shall not be subsequently reclassified to Statement of Profit and Loss.
Retained Earnings	Retained earnings are the Profits that the company has earned till date, less any transfer to General Reserve and Dividend.
Cash Flow Hedges	Gains / Losses on Effective portion of cashflow hedges are initially recognized in Other Comprehensive Income as per IND AS 109. These gains or losses are reclassified to the Statement of Profit or Loss when the forecasted transaction affects earnings, except for hedge transactions resulting in recognition of non financial assets which are included in the carrying amount of the asset ("Basis Adjustments")
Debt Instruments	The fair value change of the debt instruments measured at fair value through Other Comprehensive Income is recognised in Debt instruments through Other Comprehensive Income. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the Statement of Profit and Loss.
Remeasurements of Defined Benefit Plans	Gains/Losses arising on Remeasurements of Defined Plan at the end of each reporting period is separately disclosed under Reserves and Surplus and shall not be reclassified to the Statement of Profit or Loss in the Subsequent years.

Significant Accounting Policies 1

Accompanying Notes are an integral part of these Financial Statements

This is the Statement of Changes in Equity (SOCE) referred to in our report of even date

For M M NISSIM & CO LLP
Chartered Accountants
Firm Reg. No. 107122W / W100672

For MAHESH, VIRENDER & SRIRAM
Chartered Accountants
Firm Reg. No. 001939S

N. KASHINATH
Partner
Mem. No. 036490
Chennai
Dated 10th May, 2022

B R MAHESH
Partner
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MADHU P NAINAN
Vice President Finance

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Company Secretary
Chennai

JACOB KURIAN
Director
DIN: 00860095

V SRIDHAR
Director
DIN: 00020276

K M MAMMEN
Chairman & Managing Director
DIN: 00020202

Disclosure of shareholding of Promoters:

Sl. No.	Promoter Name	As at 31st March, 2022 No. of Shares	As at 31st March, 2022 % of total shares	% Change during the year as compared to 31st March, 2021	As at 31st March, 2021 No. of Shares	As at 31st March, 2021 % of total shares	% Change during the year as compared to 31st March, 2020
1	ACCAMMA KURUVILLA	2338	0.06	(0.00)	2348	0.06	-
2	ADARSH MAMMEN VERGHESE	2000	0.05	-	2000	0.05	0.05
3	ADITH POULOSE MAMMEN	1635	0.04	-	1635	0.04	-
4	ADITI MAMMEN GUPTA	4744	0.11	-	4744	0.11	-
5	AMBIKA MAMMEN	2489	0.06	-	2489	0.06	-
6	AMIT MATHEW	4520	0.11	-	4520	0.11	-
7	AMMU MATHEW	2650	0.06	-	2650	0.06	-
8	ANITA MANI	1334	0.03	(0.00)	1344	0.03	-
9	ANNA PHILIP	350	0.01	-	350	0.01	-
10	ANNA RAPHAEL	258	0.01	-	258	0.01	-
11	ANNA THOMAS CHACKO	1291	0.03	-	1291	0.03	-
12	ANNAMMA MAMMEN	11265	0.27	-	11265	0.27	-
13	ANNAMMA PHILIP	9500	0.22	0.11	4500	0.11	(0.03)
14	ANNU KURIEN	12490	0.29	(0.01)	12640	0.30	-
15	ARJUN JOSEPH	1850	0.04	-	1850	0.04	(0.01)
16	ARUN MAMMEN	27560	0.65	-	27560	0.65	-
17	ASHOK KURIYAN	1878	0.04	-	1878	0.04	-
18	ASHWATHI JACOB	151	0.00	-	151	0.00	-
19	ASWATHY VARGHESE	9450	0.22	-	9450	0.22	-
20	BADRA ESTATES AND INDUSTRIES LIMITED	6530	0.15	-	6530	0.15	(0.02)
21	BEEBI MAMMEN	20237	0.48	-	20237	0.48	-
22	BINA MATHEW	1568	0.04	-	1568	0.04	-
23	BRAGA INDUSTRIES LLP	29457	0.69	0.11	24541	0.58	0.03
24	CHALAKUZHY POULOSE MAMMEN	530	0.01	-	530	0.01	-
25	CIBI MAMMEN	500	0.01	-	500	0.01	-
26	COMPREHENSIVE INVESTMENT AND FINANCE COMPANY PVT. LTD.	441834	10.42	0.03	440719	10.39	-
27	DEVON MACHINES PVT LTD	1000	0.02	-	1000	0.02	-
28	ELA KATTUKARAN	-	-	-	-	-	(0.14)
29	ELIZABETH JACOB MATTHAI	4000	0.09	-	4000	0.09	-
30	GEETHA ZACHARIAH	6113	0.14	-	6113	0.14	-
31	GEETHA MAMMEN MAPPILLAI	250	0.01	-	250	0.01	-
32	GEORGE MAMMEN	808	0.02	-	808	0.02	(0.01)
33	HANNAH KURIAN	600	0.01	-	600	0.01	-
34	HARSHA MATHEW	1250	0.03	-	1250	0.03	-
35	JACOB MAMMEN	35120	0.83	-	35120	0.83	0.00
36	JACOB MATHEW	20977	0.49	-	20977	0.49	-

Sl. No.	Promoter Name	As at 31st March, 2022		% Change during the year as compared to 31st March, 2021	As at 31st March, 2021		% Change during the year as compared to 31st March, 2020
		No. of Shares	% of total shares		No. of Shares	% of total shares	
37	JAYANT MAMMEN MATHEW	2190	0.05	-	2190	0.05	-
38	JCEE MANUFACTURING AND SERVICES PVT LTD	12415	0.29	0.03	10965	0.26	0.01
39	JOSEPH KANIANTHRA PHILIPS	1000	0.02	-	1000	0.02	-
40	K C MAMMEN	9043	0.21	-	9043	0.21	-
41	K K MAMMEN MAPPILLAI	7399	0.17	-	7399	0.17	(0.00)
42	K M MAMMEN	16048	0.38	-	16048	0.38	-
43	K S JOSEPH	483	0.01	-	483	0.01	(0.01)
44	K Z KURIYAN	650	0.02	-	650	0.02	-
45	KANDATHIL MATHEW JACOB	-	-	(0.00)	28	0.00	-
46	KARUN PHILIP	4000	0.09	-	4000	0.09	(0.02)
47	KAVITA PHILIP	-	-	(0.12)	5000	0.12	-
48	KAVYA VERGHESE	2000	0.05	-	2000	0.05	0.05
49	KIRAN JOSEPH	1850	0.04	-	1850	0.04	(0.01)
50	KIRAN KATTUKARAN	-	-	-	-	-	(0.14)
51	KIRAN KURIYAN	403	0.01	-	403	0.01	-
52	KMMMF PVT. TRUST	36987	0.87	-	36987	0.87	-
53	LATHA MATTHEW	5723	0.13	-	5723	0.13	-
54	M A MATHEW	6595	0.16	-	6595	0.16	-
55	M M HOUSING PRIVATE LIMITED	179	0.00	-	179	0.00	-
56	M.M.PUBLICATIONS LIMITED	300	0.01	-	300	0.01	-
57	MALINI MATHEW	1800	0.04	-	1800	0.04	-
58	MAMMEN EAPEN	4128	0.10	-	4128	0.10	-
59	MAMMEN MAPPILLAI INVESTMENTS LTD	1209	0.03	-	1209	0.03	-
60	MAMMEN MATHEW	11015	0.26	-	11015	0.26	-
61	MAMMEN PHILIP	7880	0.19	(0.02)	8700	0.21	0.02
62	MAMY PHILIP	7350	0.17	-	7350	0.17	-
63	MARIA MAMMEN	84	0.00	-	84	0.00	-
64	MARIAM MAMMEN MATHEW	100	0.00	-	100	0.00	-
65	MARIEN MATHEW	160	0.00	-	160	0.00	-
66	MARIKA MAMMEN APPIAH	100	0.00	-	100	0.00	-
67	MARY KURIEN	10839	0.26	-	10839	0.26	-
68	MEERA NINAN	6167	0.15	-	6167	0.15	-
69	MEERA PHILIP	33627	0.79	-	33627	0.79	-
70	MEERA MAMMEN	15840	0.37	-	15840	0.37	-
71	MICAH MAMMEN PARAMBI	100	0.00	-	100	0.00	-
72	NISHA SARAH MATTHEW	164	0.00	-	164	0.00	-
73	NITHYA SUSAN MATTHEW	169	0.00	-	169	0.00	-
74	OMANA MAMMEN	4703	0.11	-	4703	0.11	-
75	PENINSULAR INVESTMENTS PRIVATE LIMITED	124367	2.93	0.00	124087	2.93	-

Sl. No.	Promoter Name	As at 31st March, 2022		% Change during the year as compared to 31st March, 2021	As at 31st March, 2021		% Change during the year as compared to 31st March, 2020
		No. of Shares	% of total shares		No. of Shares	% of total shares	
76	PETER K PHILIPS	2341	0.06	-	2341	0.06	-
77	PETER PHILIP	2352	0.06	-	2352	0.06	-
78	PHILIP MATHEW	11762	0.28	-	11762	0.28	-
79	PREMA MAMMEN MATHEW	10881	0.26	-	10881	0.26	-
80	PREMINDA JACOB	98	0.00	-	98	0.00	-
81	RACHEL KATTUKARAN	17247	0.41	-	17247	0.41	0.28
82	RADHIKA MARIA MAMMEN	600	0.01	-	600	0.01	-
83	RAHUL MAMMEN MAPPILLAI	4538	0.11	-	4538	0.11	-
84	RAMANI JOSEPH	2509	0.06	-	2509	0.06	-
85	RANJEET JACOB	28	0.00	0.00	-	-	-
86	REENU ZACHARIAH	517	0.01	-	517	0.01	-
87	RIYAD MATHEW	4520	0.11	-	4520	0.11	-
88	ROHAN MATHEW MAMMEN	1635	0.04	-	1635	0.04	-
89	ROSHIN VARGHESE	6679	0.16	-	6679	0.16	-
90	ROY MAMMEN	12894	0.30	-	12894	0.30	-
91	SAMIR THARIYAN MAPPILLAI	4470	0.11	-	4470	0.11	-
92	SARA KURIYAN	1880	0.04	-	1880	0.04	-
93	SARAH CHERIAN TRUST	4950	0.12	-	4950	0.12	-
94	SARAH THOMAS	12608	0.30	(0.00)	12664	0.30	-
95	SARASU JACOB	14114	0.33	(0.00)	14204	0.33	(0.00)
96	SHANTA MAMMEN	4938	0.12	-	4938	0.12	0.01
97	SHILPA MAMMEN	4412	0.10	-	4412	0.10	-
98	SHIRIN MAMMEN	1450	0.03	-	1450	0.03	(0.10)
99	SHONA BHOJNAGARWALA	50	0.00	-	50	0.00	-
100	SHREYA JOSEPH	5120	0.12	-	5120	0.12	-
101	SOMA PHILIPS	-	-	(0.05)	2000	0.05	-
102	STABLE INVESTMENTS AND FINANCE COMPANY LTD	3964	0.09	-	3964	0.09	(0.01)
103	SUSAN ABRAHAM	68	0.00	-	68	0.00	(0.00)
104	SUSAN KURIAN	9137	0.22	-	9137	0.22	-
105	SUSY THOMAS	5278	0.12	-	5278	0.12	-
106	TARA JOSEPH	3150	0.07	-	3150	0.07	-
107	THANGAM MAMMEN	5981	0.14	-	5981	0.14	-
108	THE MALAYALA MANORAMA COMPANY LIMITED	6109	0.14	-	6109	0.14	-
109	USHA EAPEN GEORGE	1220	0.03	-	1220	0.03	(0.00)
110	VARUN MAMMEN	8706	0.21	-	8706	0.21	-
111	VIKRAM KURUVILLA	109	0.00	-	109	0.00	-
112	ZACHARIAH KURIYAN	3411	0.08	-	3411	0.08	-
Total		1185320			1180695		

Note: Figures in brackets represents reduction in percentage change as compared to previous period.

MRF LIMITED, CHENNAI

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ Crores)

	Year ended 31.03.2022		Year ended 31.03.2021	
A. CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAX		879.16		1700.27
Adjustment for :				
Depreciation	1201.41		1136.92	
Unrealised Exchange (Gain) / Loss	(0.39)		6.34	
Government Grant Accrued	(0.99)		(1.63)	
Impairment of Financial Assets	0.30		0.14	
Finance Cost	247.01		264.72	
Interest Income	(99.08)		(125.43)	
Dividend Income	(0.15)		(0.10)	
Loss / (Gain) on Sale / Disposal of Property,Plant and Equipment	2.20		4.91	
Provision for Impairment of Assets (other than Financial Assets)	7.10		-	
Fair Value changes in Investments	(155.43)		(28.73)	
Fair Value changes in Financial Instruments	34.39		18.27	
Loss / (Gain) on Sale of Investments	(6.83)		(0.71)	
Bad debts written off (Net off Impairment reversal of ₹ 0.67 Crore)	0.21	1229.75	0.16	1274.86
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		2108.91		2975.13
Trade Receivables	(171.82)		26.84	
Other Receivables	(94.55)		46.88	
Inventories - Finished Goods	(775.34)		453.01	
Inventories - Raw materials and Others	(406.05)		(480.65)	
Trade Payable				
- Supplier Finance	(983.40)		883.76	
- Import acceptance and Others (Change in Regulation)	(352.33)		1093.13	
Provisions	1.80		47.84	
Other Liabilities	222.53	(2559.16)	151.05	2221.86
CASH GENERATED FROM OPERATIONS		(450.25)		5196.99
Direct Taxes paid		(207.12)		(509.72)
NET CASH FROM OPERATING ACTIVITIES		(657.37)		4687.27
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant and Equipment	(1690.76)		(842.95)	
Proceeds from sale of Property, Plant and Equipment	2.36		1.15	
Purchase of Investments	(649.97)		(6194.95)	
Proceeds from sale of Investments	3025.80		1879.39	
Fixed Deposits - Others	(600.00)		-	
Fixed Deposits with Banks matured	-		0.22	
Loans (Financial assets) given	1.29		8.75	
Interest Income	86.85		85.43	
Dividend Income	0.15		0.10	
NET CASH USED IN INVESTING ACTIVITIES		175.72		(5062.86)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

(₹ Crores)

		Year ended 31.03.2022		Year ended 31.03.2021	
C. CASH FLOW FROM FINANCING ACTIVITIES					
(Repayments) / Proceeds from Working Capital Facilities (Net)		844.98		(200.56)	
Proceeds from Term Loans		299.99		300.00	
Repayment of Term Loans		(86.00)		(180.92)	
Repayment of Debentures		(180.00)		(160.00)	
Government Grant Accrued		0.99		1.63	
Deferred payment Credit		(0.68)		(0.61)	
Payment of Lease Liability		(96.78)		(97.77)	
Interest paid		(228.04)		(244.64)	
Dividend		(63.60)		(42.41)	
NET CASH FROM FINANCING ACTIVITIES			490.86		(625.28)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			9.21		(1000.87)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	Refer Note 9		102.80		1104.23
Unrealised Gain / (Loss) on Foreign currency Cash & Cash equivalents			1.10		(0.56)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	Refer Note 9		113.11		102.80

Refer Note No. 27k for amount spent during the year ended 31st March, 2022 and 31st March, 2021 on construction / acquisition of assets relating to CSR activities

Note to Cash Flow Statement:

1. The above Cash Flow Statement has been prepared under the Indirect Method.
2. Reconciliation of Financing Liabilities (Refer Note 11)

This is the Cash Flow statement referred to in our report of even date

For M M NISSIM & CO LLP
Chartered Accountants
Firm Reg. No. 107122W / W100672

For MAHESH, VIRENDER & SRIRAM
Chartered Accountants
Firm Reg. No. 001939S

N. KASHINATH
Partner
Mem. No. 036490
Chennai
Dated 10th May, 2022

B R MAHESH
Partner
Mem. No. 18628
Hyderabad

MADHU P NAINAN
Vice President Finance

S DHANVANTH KUMAR
Company Secretary
Chennai

JACOB KURIAN
Director
DIN: 00860095

V SRIDHAR
Director
DIN: 00020276

K M MAMMEN
Chairman & Managing Director
DIN: 00020202

Note 1 - Significant Accounting Policies under IND AS

A) General Information

MRF Limited (the "Company") is a limited company, incorporated on 5th November, 1960 in India, whose shares are publicly traded.

The Company is India's largest tyre manufacturer and ranked amongst the top 20 Global Manufacturers, with 10 state-of-the-art factories across India with an expansive tyre range from two-wheelers to fighter aircrafts.

The Registered Office is located at No.114, Greams Road, Chennai-600 006.

The Company is the ultimate parent of MRF Group.

B) Basis of preparation of Financial Statements

The principal accounting policies applied in the preparation of these Financial Statements are set out in Para C below. These policies have been consistently applied to all the years presented.

i. Statement of Compliance

These Separate Financial Statements (also known as Standalone Financial Statements) have been prepared in accordance with IND AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto.

ii. Basis of preparation and presentation

The Financial Statements have been prepared on historical cost basis considering the applicable provisions of Companies Act, 2013, except for the following material item that has been measured at fair value as required by relevant IND AS. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

a) Certain financial assets/liabilities measured at fair value (Refer Note 1 (C 20)) and

b) Any other item as specifically stated in the accounting policy. (Refer Note 27 (g))

The Financial Statement are presented in INR and **all values are rounded off to Rupees Crores** unless otherwise stated.

The Company reclassifies comparative amounts, unless impracticable and whenever the Company changes the presentation or classification of items in its Financial Statements materially. No such material reclassification has been made during the year.

The Financial Statements of the Company for the year ended 31st March, 2022 were authorised for issue in accordance with a resolution of the directors on 10th May, 2022.

iii. Major Sources of Estimation Uncertainty

In the application of accounting policy which are described in note (C) below, the management is required to make judgment, estimates and assumptions about the carrying amount of assets and liabilities, income and expenses, contingent liabilities and the accompanying disclosures that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and are prudent and reasonable. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future period.

The few critical estimations and judgments made in applying accounting policies are:

Property, Plant and Equipment:

Useful life of Property, Plant and Equipment and Intangible Assets are as specified in Schedule II to the Companies Act, 2013 and on certain assets based on technical advice which considered the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support. The Company reviews the useful life of Property, Plant and Equipment at the end of each reporting period. This reassessment may result in change in depreciation charge in future periods. (Refer Note 1 (C 1))

Impairment of Non-financial Assets:

For calculating the recoverable amount of non-financial assets, the Company is required to estimate the value-in-use of the asset or the Cash Generating Unit and the fair value less costs to disposal. For calculating value in use the Company is required to estimate the cash flows to be generated from using the asset. The fair value of an asset is estimated using a valuation technique where observable prices are not available. Further, the discount rate used in value in use calculations includes an estimate of risk assessment specific to the asset. (Refer Note 1 (C 4))

Impairment of Financial Assets:

The Company impairs financial assets other than those measured at fair value through profit or loss or designated at fair value through other comprehensive income on expected credit losses. The estimation of expected credit loss includes the estimation of probability of default (PD), loss given default (LGD) and the exposure at default (EAD). Estimation of probability of default apart from involving trend analysis of past delinquency rates includes an estimation on forward-looking information relating to not only the counterparty but also relating to the industry and the economy as a whole. The probability of default is estimated for the entire life of the contract by estimating the cash flows that are likely to be received in default scenario. The lifetime PD is reduced to 12 months PD based on an assessment of past history of default cases in 12 months. Further, the loss given default is calculated based on an estimate of the value of the security recoverable as on the reporting date. The exposure at default is the amount outstanding at the balance sheet date. (Refer Note 1 [C 21(a)])

Defined Benefit Plans:

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. (Refer Note 27 (g))

Fair Value Measurement of Financial Instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. (Refer Note 1 (C 20))

Income Taxes

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. (Refer Note 1 (C 17))

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Leases

IND AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts. (Refer Note 1 (C 6))

Allowance for credit losses on receivables:

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considered current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future.

C) Summary of Significant Accounting Policies:

1) Property, Plant and Equipment (PPE)

The Company has elected to continue with the carrying value of Property, Plant and Equipment ('PPE') recognised as of the transition date, measured as per the Previous GAAP and use that carrying value as its deemed cost of the PPE.

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for freehold land which is not depreciated. Cost includes purchase price after deducting trade discount / rebate, import duties, non-refundable taxes, cost of replacing the component parts, borrowing costs (Refer Note C (15)) and other costs that are directly attributable and necessary to bring the asset to its working condition in the manner intended by the management, and the initial estimates of the cost of dismantling /removing the item and restoring the site on which it is located.

Spare parts procured along with the Plant and Equipment or subsequently which has a useful life of more than 1 year and considering the concept of materiality evaluated by management are capitalised and added to the carrying amount of such items. The carrying amount of items of PPE and spare parts that are replaced is derecognised when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as 'stores and spares' forming part of the inventory. If the cost of the replaced part is not available, the estimated cost of similar new parts is used as an indication of what the cost of the existing part was when the item was acquired.

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use or disposal. Any gain or loss arising on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss when asset is derecognised.

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognised till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date when the asset is derecognised.

Description of the Asset	Estimated Useful life (On Single shift working)
Tangible (Owned Assets) :	
Building – Factory – Other than factory buildings	30 Years 60 Years
Plant and Equipment	5-21 Years
Moulds	6 Years
Furniture and Fixtures	5 Years
Computer Servers	5 Years
Computers	3 Years
Office Equipment	5 Years
Other Assets, viz., Electrical Fittings, Fire Fighting/Other Equipments and Canteen Utensils	10 Years
Renewable Energy Saving Device – Windmills	22 Years
Vehicles	5 Years
Aircraft	10 and 20 Years
Right of Use Assets (Leased Assets) :	
- Buildings-Other than factory buildings	1-21 Years
- Vehicles	2 Years
- Land – Leasehold	Primary period of lease
Intangible (Owned Assets):	
Software	5 Years

Depreciation on the property, plant and equipment, is provided over the useful life of assets based on management estimates which is in line with the useful life indicated in Schedule II to the Companies Act, 2013. Depreciation on all assets except Renewable Energy Saving Devices is provided on straight line basis whereas depreciation on renewable energy saving devices is provided on reducing balance basis. Plant and Machinery, Moulds, Vehicles, Furniture and Fixtures and Computer Servers are depreciated based on management estimate of the useful life of the assets, and is after considering the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support.

Depreciation on property, plant and equipment added/ disposed off during the year is provided on pro rata basis with reference to the date of addition/disposal.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Further, the Company has identified and determined separate useful life for each major component of Property, Plant and Equipment, if they are materially different from that of the remaining assets, for providing depreciation.

2) <u>Intangible Assets:</u>

Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Software (not being an integral part of the related hardware) acquired for internal use are treated as intangible assets.

An item of Intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any profit or loss arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Intangible Assets are amortised over 5 years on straight-line method over the estimated useful economic life of the assets.

The Company undertakes Research and Development activities for development of new and improved products. All expenditure incurred during Research and Development are analysed into research phase and development phase. The Company recognises all expenditure incurred during the research phase in the profit or loss whereas the expenditure incurred in development phase are presented as Intangible Assets under Development till the time they are available for use in the manner intended at which moment they are treated as Intangible Assets and amortised over their estimated useful life.

3) **Assets held for Sale:**

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the non-current asset is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale. Non-current assets held for sale are measured at the lower of carrying amount and fair value less cost to sell. Non-current assets that cease to be classified as held for sale shall be measured at the lower of carrying amount before the non-current asset was classified as held for sale adjusted for any depreciation/amortization and its recoverable amount at the date when it no longer meets the "Held for Sale" criteria.

4) **Impairment of tangible (PPE) and intangible assets:**

At the end of each reporting period, the Company reviews the carrying amounts of its PPE and other intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Profit and Loss.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or CGU in prior years. A reversal of an impairment loss is recognised in the Statement of Profit and Loss.

5) **Inventories:**

Inventories consisting of stores and spares, raw materials, Work in progress, Stock in Trade and finished goods are valued at lower of cost and net realisable value. However, materials held for use in production of inventories are not written down below cost, if the finished products are expected to be sold at or above cost.

The cost is computed on FIFO basis except for stores and spares which are on daily moving Weighted Average Cost basis and is net of inputs tax credits under various tax laws.

Goods and materials in transit include materials, duties and taxes (other than those subsequently recoverable from tax authorities) labour cost and other related overheads incurred in bringing the inventories to their present location and condition.

Traded goods include cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sale.

Inventory obsolescence is based on assessment of the future uses. Obsolete and slow-moving items are subjected to continuous technical monitoring and are valued at lower of cost and estimated net realisable value. When Inventories are sold, the carrying amount of those items are recognised as expenses in the period in which the related revenue is recognised.

6) <u>**Leases:**</u>

The Company has applied IND AS 116 using the modified retrospective approach.

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land, buildings and vehicles. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset, (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the financial statements and lease payments have been classified as financing cash flows.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

7) <u>**Government Grants:**</u>

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset or by deducting the grant in arriving at the carrying amount of the assets. Where the assets have been fully depreciated with no future related cost, the grant is recognised in profit or loss.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities in respect of loans/ assistance received subsequent to the date of transition.

8) <u>Provisions, Contingent Liabilities and Contingent Assets:</u>

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it. Unavoidable cost is determined based on cost that are directly attributable to having and executing the contracts.

Contingent liabilities are disclosed on the basis of judgment of management / independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Provisions for warranty-related costs are recognised when the product is sold to the customer. Initial recognition is based on scientific basis as per past trends of such claims. The initial estimate of warranty-related costs is revised annually.

Contingent Assets are not recognised, however, disclosed in Financial Statement when inflow of economic benefits is probable.

9) <u>Foreign Currency Transactions:</u>

The Financial Statements of Company are presented in INR, which is also the functional currency. In preparing the financial statements, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of transaction.

10) <u>Share Capital and Securities Premium:</u>

Ordinary shares are classified as equity, incremental costs directly attributable to the issue of new shares are shown in equity as a deduction net of tax from the proceeds. Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as securities premium.

11) <u>Dividend Distribution to Equity Shareholders:</u>

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company.

A distribution is authorized when it is approved by the shareholders. A corresponding amount is recognised directly in other equity.

12) <u>Cash Flows and Cash and Cash Equivalents:</u>

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant IND AS. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with Banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and book overdrafts. However, Book overdrafts are to be shown within borrowings in current liabilities in the balance sheet for the purpose of presentation.

13) <u>Revenue Recognition:</u>

The Company derives revenues primarily from sale of goods comprising of Automobile Tyres, Tubes, Flaps and Tread Rubber. The following is a summary of significant accounting policies related to revenue recognition:

Revenue from contract with customers is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer.

Revenue is measured based on the transaction price, which is the consideration, adjusted for turnover/product/prompt payment discounts to customer as specified in the contract with the customers. When the level of discount varies with increase in levels of revenue transactions, the Company recognises the liability based on its estimate of the customer's future purchases. The Company recognises changes in the estimated amounts of obligations for discounts in the period in which the change occurs. Revenue also excludes taxes collected from customers.

Revenue in excess of invoicing is classified as contract assets while invoicing in excess of revenues are classified as contract liabilities.

The Company provides warranties for general repairs and does not provide extended warranties or maintenance services in its contracts with customers and are assurance type warranties. Claims preferred during the year against such obligations are netted off from revenue, consistent with its current practice. Provision for warranties is made for probable future claims on sales effected and are estimated based on previous claim experience and are accounted for under IND AS 37 Provisions, Contingent Liabilities and Contingent Assets, consistent with its current practice.

Use of significant judgements in Revenue Recognition.

- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of consideration or variable consideration with elements such as turnover/product/ prompt payment discounts. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer.

14) **Other Income:**

Dividend Income:

Dividend Income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

Interest Income:

Interest Income on financial assets measured at amortised cost is recognised on a time-proportion basis using the effective interest method.

15) **Borrowing costs:**

Borrowing cost includes interest, commitment charges, brokerage, underwriting costs, discounts / premiums, financing charges, exchange difference to the extent they are regarded as interest costs and all ancillary / incidental costs incurred in connection with the arrangement of borrowing.

Borrowing costs which are directly attributable to acquisition/ construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalised as a part of cost pertaining to those assets. All other borrowing costs are recognised as expense in the period in which they are incurred.

The capitalisation on borrowing costs commences when the Company incurs expenditure for the asset, incurs borrowing cost and undertakes activities that are necessary to prepare the asset for its intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development of a qualifying asset is suspended. The capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

16) **Employee Benefits:**

a) Short term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering services are classified as short-term employee benefits. Benefits such as salaries, wages, short-term compensated absences and performance incentives, are recognised during the period in which the employee renders related services and are measured at undiscounted amount expected to be paid when the liabilities are settled.

b) Long Term Employee Benefits:

The cost of providing long term employee benefit such as earned leave is measured as the present value of expected future payments to be made in respect of services provided by employees upto the end of the reporting period. The expected costs of the benefit is accrued over the period of employment using the same methodology as used for defined benefits post employment plans. Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions are charged or credited to the Statement of Profit or Loss in which they arise except those included in cost of assets as permitted. The benefit is valued annually by independent actuary.

c) Post Employment Benefits:

The Company provides the following post employment benefits:

i) Defined benefit plans such as gratuity, trust managed Provident Fund and post-retirement medical benefit (PRMB); and

ii) Defined contributions plan such as provident fund, pension fund and superannuation fund.

d) Defined benefits Plans:

The cost of providing benefits on account of gratuity and post retirement medical benefits / obligations are determined using the projected unit credit method on the basis of actuarial valuation made at the end of each balance sheet date, which recognises each period of service as given rise to additional unit of employees benefit entitlement and measuring each unit separately to build up the final obligation. The yearly expenses on account of these benefits are provided in the books of accounts.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss except those included in cost of assets as permitted.

Re-measurements comprising of actuarial gains and losses arising from experience adjustments and change in actuarial assumptions, the effect of change in assets ceiling (if applicable) and the return on plan asset (excluding net interest as defined above) are recognised in other comprehensive income (OCI) except those included in cost of assets as permitted in the period in which they occur. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) is recognised in the Statement of Profit and Loss except those included in cost of assets as permitted in the period in which they occur.

Eligible employees of the Company receive benefits from a provident fund trust which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employees salary. The Company contributes a part of the contribution to the provident fund trusts. The trusts invests in specific designated instruments as permitted by Indian Law. The remaining portion is contributed to the Government Administered Pension Fund. The rate at which the annual interest is payable to the beneficiaries by the trusts is administered by the Government. The Company has obligation to make good the shortfall, if any, between the return from investments of the Trusts and the notified interest rate. However, as at the year-end no shortfall remains unprovided for.

e) Defined Contribution Plans:

Payments to defined contribution retirement benefit plans, viz., Provident Fund for certain eligible employees, Pension Fund and Superannuation benefits are recognised as an expense when employees have rendered the service entitling them to the contribution.

17) Taxes on Income:

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

a) Current Tax:

Current tax is the expected tax payable/ receivable on the taxable income/ loss for the year using applicable tax rates for the relevant period, and any adjustment to taxes in respect of previous years. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to Income tax is included in Other Income.

b) Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

18) Earnings per Share:

Basic earnings per share is calculated by dividing the profit from continuing operations and total profit, both attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

19) Current versus Non-current classification:

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

a) An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

b) A liability is current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

c) Deferred tax assets and liabilities are classified as non-current.

20) Fair value measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these Financial Statements is determined on such basis except for Inventories, Leases and value in use of non-financial assets. Normally at initial recognition, the transaction price is the best evidence of fair value.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Financial assets and financial liabilities that are recognised at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

21) Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognises a financial asset or financial liability in its balance sheet only when the entity becomes party to the contractual provisions of the instrument.

a) Financial Assets

A financial asset inter-alia includes any asset that is cash, equity instrument of another entity or contractual rights to receive cash or another financial asset or to exchange financial asset or financial liability under condition that are potentially favourable to the Company.

Investments in subsidiaries

Investments in equity shares of subsidiaries are carried at cost less impairment. Impairment is provided for on the basis explained in Paragraph (4) of Note C above.

Financial assets other than investment in subsidiaries

Financial assets of the Company comprise trade receivable, cash and cash equivalents, Bank balances, Investments in equity shares of companies other than in subsidiaries, Investment in units of Mutual Funds, loans/ advances to employee / related parties / others, security deposit, claims recoverable etc.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss. Where transaction price is not the measure of fair value and fair value is determined using a valuation method that uses data from observable market, the difference between transaction price and fair value is recognised in Statement of Profit and Loss on the date of recognition if the fair value pertains to Level 1 or Level 2 of the fair value hierarchy and in other cases spread over life of the financial instrument using effective interest method.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in three categories:

- Financial assets measured at amortized cost
- Financial assets at fair value through OCI – Debt Instruments
- Financial assets at fair value through profit or loss

Financial assets measured at amortized cost

Financial assets are measured at amortized cost if the financials asset is held within a business model whose objective is to hold financial 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. These financials assets are amortized using the effective interest rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss in finance costs.

Financial assets at fair value through OCI (FVTOCI)

Financial assets are mandatorily measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets 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.

At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI. Fair value changes relating to financial assets measured at FVTOCI are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the income statement. On derecognition of the financial asset other than equity instruments, cumulative gain or loss previously recognised in OCI is reclassified to Profit or Loss.

Financial assets at fair value through profit or loss (FVTPL)

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income, is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognised in the Statement of profit and loss.

Derecognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

Impairment of financial assets

The Company assesses impairment based on expected credit loss (ECL) model on the following:

- Financial assets that are measured at amortised cost.
- Financial assets (excluding equity instruments) measured at fair value through other comprehensive income (FVTOCI).

ECL is measured through a loss allowance on a following basis after considering the value of recoverable security:-

- The 12 month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date).
- Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments).

The Company follows 'simplified approach' for recognition of impairment on trade receivables or contract assets resulting from normal business transactions. The application of simplified approach does not require the Company to track changes in credit risk. However, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, from the date of initial recognition.

For recognition of impairment loss on other financial assets, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has increased significantly, lifetime ECL is provided. For assessing increase in credit risk and impairment loss, the Company assesses the credit risk characteristics on instrument-by-instrument basis.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

Impairment loss allowance (or reversal) recognised during the period is recognised as expense/income in the statement of profit and loss.

b) Financial Liabilities

The Company's financial liabilities includes borrowings, trade payable, accrued expenses and other payables.

Initial recognition and measurement

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss depending upon the level of fair value.

Subsequent measurement

The subsequent measurement of financial liabilities depends upon the classification as described below:-

Financial Liabilities classified as Amortised Cost:

Financial Liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate. Interest expense that is not capitalised as part of costs of assets is included as Finance costs in the Statement of Profit and Loss.

Financial Liabilities at Fair value through profit and loss (FVTPL):

FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities have not been designated upon initial recognition at FVTPL.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged / cancelled / expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

c) <u>Derivatives</u>

Derivative instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument and is recognised in Other Comprehensive Income (OCI). Cash flow hedges shall be reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss. If hedge of a forecast transaction results in the recognition of a non-financial asset or a non-financial liability, then the gain or loss that are accumulated in the cash flow hedge reserve is recognised in the initial cost or other carrying amount of the asset or liability (this is also referred to as "Basis Adjustment").

D) <u>Recent accounting pronouncements</u>

The Ministry of Corporate Affairs (MCA) on 23rd March, 2022 through companies (Indian Accounting Standards) Amendment Rules, 2022 has notified the following amendments to IND AS which are applicable on 1st April 2022.

i) <u>IND AS 16 – Property, Plant and Equipment</u> –

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment.

The amendment prohibits an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in the profit or loss.

The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

ii) <u>IND AS 37 – Provisions, Contingent Liabilities and Contingent Assets</u> –

The amendment specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (examples depreciation charge). The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

NOTE 2 (a) : PROPERTY, PLANT AND EQUIPMENT

(₹ Crores)

Property, Plant and Equipment	As at 31.03.2022	As at 31.03.2021
Owned Assets	8999.09	8957.45
Leased Assets	445.97	409.38
Total	9445.06	9366.83

NOTE 2 (b) : CAPITAL WORK-IN-PROGRESS (CWIP)	1225.81	1001.03

CWIP Ageing Schedule

(₹ Crores)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	833.09	199.73	164.84	25.18	1222.84
	(486.57)	(421.84)	(42.85)	(45.47)	(996.73)
Projects temporarily suspended	-	-	0.75	2.22	2.97
	(-)	(2.10)	(-)	(2.20)	(4.30)

Figures in brackets are in respect of Previous year

Note: There were no material projects which have exceeded their original planned cost and timelines.

(₹ Crores)

NOTE 2 (a 1) : Owned Assets												NOTE 2 (c) INTANGIBLES
Particulars	**Land Freehold**	**Buildings**	**Plant and equipment**	**Furniture and fixtures**	**Vehicles**	**Air Craft**	**Office equipment**	**Computers**	**Moulds**	**Other Assets**	**Total**	**Computer Software**
GROSS BLOCK												
Carrying Value as at 31 March 2020	**570.58**	**2686.30**	**7299.84**	**24.46**	**49.48**	**83.98**	**35.72**	**45.50**	**636.25**	**409.55**	**11841.66**	**55.29**
Additions	6.77	348.33	1106.45	7.79	8.94	-	5.52	8.27	97.23	35.37	1624.67	5.96
Disposals	(0.09)	(4.92)	(9.84)	(0.60)	(5.04)	-	(1.17)	(0.44)	(28.48)	(4.37)	(54.95)	-
Carrying Value as at 31 March 2021	**577.26**	**3029.71**	**8396.45**	**31.65**	**53.38**	**83.98**	**40.07**	**53.33**	**705.00**	**440.55**	**13411.38**	**61.25**
Additions	0.87	141.73	828.07	3.77	9.91	-	3.83	6.22	124.44	45.43	1164.27	6.73
Disposals	-	(2.57)	(39.62)	(0.72)	(2.20)	-	(1.15)	(4.17)	(4.77)	(2.62)	(57.82)	(9.25)
Carrying Value as at 31 March 2022	**578.13**	**3168.87**	**9184.90**	**34.70**	**61.09**	**83.98**	**42.75**	**55.38**	**824.67**	**483.36**	**14517.83**	**58.73**
Accumulated depreciation / Amortisation as at the 31 March 2020	**-**	**266.20**	**2625.28**	**13.47**	**22.77**	**10.31**	**20.44**	**24.77**	**295.43**	**173.21**	**3451.88**	**26.83**
Depreciation / Amortisation for the year	-	93.63	771.70	4.42	7.18	5.92	6.12	10.42	98.66	52.89	1050.94	10.11
Disposals	-	(1.32)	(8.47)	(0.47)	(4.44)	-	(1.16)	(0.44)	(28.46)	(4.13)	(48.89)	-
Accumulated depreciation / Amortisation as at the 31 March 2021	**-**	**358.51**	**3388.51**	**17.42**	**25.51**	**16.23**	**25.40**	**34.75**	**365.63**	**221.97**	**4453.93**	**36.94**
Depreciation / Amortisation for the year	-	100.27	828.64	4.87	6.93	5.92	6.08	9.49	105.84	50.02	1118.06	9.83
Disposals	-	(0.70)	(37.62)	(0.65)	(1.84)	-	(1.12)	(4.16)	(4.77)	(2.39)	(53.25)	(9.25)
Accumulated depreciation / Amortisation as at the 31 March 2022	**-**	**458.08**	**4179.53**	**21.64**	**30.60**	**22.15**	**30.36**	**40.08**	**466.70**	**269.60**	**5518.74**	**37.52**
Net Block												
As at 31 March 2021	**577.26**	**2671.20**	**5007.94**	**14.23**	**27.87**	**67.75**	**14.67**	**18.58**	**339.37**	**218.58**	**8957.45**	**24.31**
As at 31 March 2022	**578.13**	**2710.79**	**5005.37**	**13.06**	**30.49**	**61.83**	**12.39**	**15.30**	**357.97**	**213.76**	**8999.09**	**21.21**

Note:

1. Freehold land includes agricultural land - ₹ 0.12 Crores (31st March, 2021 - ₹ 0.12 Crores).
2. Other assets represents Electrical Fittings, Fire Fighting/Other Equipments and Canteen Utensils.
3. The amount of Borrowing Cost capitalised during the year ended 31st March, 2022 - ₹ 1.85 Crores (31st March, 2021 - ₹ 2.11 Crores).
4. Capital expenditure on Research and Development during the year - ₹ 6.71 Crores (31st March, 2021, including Building - ₹ 31.88 Crores) Refer Note 27 h (ii).
5. Title deeds of Freehold Land are held in the name of the Company. Title deeds in respect of Buildings on immovable properties which are constructed on company's Freehold Land is based on documents constituting evidence of legal ownership of the Buildings.

NOTE 2 (a 2): Leased Assets

(₹ Crores)

Particulars	Land	Buildings	Vehicles	Total
Gross Block				
Carrying Value as at 31 March 2020	**97.58**	**388.82**	**14.75**	**501.15**
Additions	0.26	71.41	10.18	81.85
Disposals	-	(38.57)	-	(38.57)
Carrying Value as at 31 March 2021	**97.84**	**421.66**	**24.93**	**544.43**
Additions	-	123.03	9.14	132.17
Disposals	-	(36.84)	-	(36.84)
Carrying Value as at 31 March 2022	**97.84**	**507.85**	**34.07**	**639.76**
Depreciation Block				
Accumulated depreciation / Amortisation as at the 31 March 2020	**3.40**	**56.98**	**9.83**	**70.21**
Depreciation / Amortisation for the year	1.06	64.98	9.83	75.87
Disposals	-	(11.03)	-	(11.03)
Accumulated depreciation / Amortisation as at the 31 March 2021	**4.46**	**110.93**	**19.66**	**135.05**
Depreciation / Amortisation for the year	1.06	63.03	9.43	73.52
Disposals	-	(14.78)	-	(14.78)
Accumulated depreciation / Amortisation as at the 31 March 2022	**5.52**	**159.18**	**29.09**	**193.79**
Net Block				
As at 31 March 2021	**93.38**	**310.73**	**5.27**	**409.38**
As at 31 March 2022	**92.32**	**348.67**	**4.98**	**445.97**

Note:

1. The Company has incurred ₹ 21.94 Crores (Previous year - ₹ 9.67 Crores) for the year ended 31st March, 2022 towards expenses relating to short-term leases and leases of low-value assets (Refer Note 23). The total cash outflow for leases is ₹118.72 Crores (Previous year - ₹ 107.44 Crores) for the year ended 31st March, 2022, including cash outflow of short-term leases and leases of low-value assets. Interest on lease liabilities is ₹ 36.29 Crores (Previous year - ₹ 37.27 Crores) for the year ended 31st March, 2022 (Refer Note 22).
2. The Company's leases mainly comprise of Land, Buildings and Vehicles. The Company mainly leases land and buildings for its manufacturing, warehouse facilities and sales offices. The Company has leased vehicles for its Goods Transporation.

NOTE 3: INVESTMENTS

Particulars	Face Value ₹	No. of Shares / Units As at 31.03.2022	No. of Shares / Units As at 31.03.2021	(₹ Crores) As at 31.03.2022	(₹ Crores) As at 31.03.2021
Non-Current Investments					
Fully Paid-up					
Quoted					
Equity Shares (at fair value through Profit or Loss)				11.00	8.43
In Debt Instruments-Bonds (at fair value through OCI)				1122.81	1120.19
Unquoted					
Non-Trade - Unquoted					
Others: (at fair value through Profit or Loss) *				0.07	0.07
*Note: The Company had invested in Co-operative Societies, MRF Foundation and in certain other companies towards the corpus. These are non participative shares and normally no dividend is accrued. The Company has carried these investments at its transaction value considering it to be its fair value.					
Unquoted					
Subsidiary Companies: (At Cost)					
Ordinary Shares in MRF SG PTE LTD	-	1273200	1273200	6.11	6.11
Equity Shares in MRF Corp Ltd. - ₹ 1500 (31.03.2021- ₹ 1500)	10	50100	50100	-	-
Equity Shares in MRF International Ltd.	10	532470	532470	0.53	0.53
Equity Shares in MRF Lanka Pvt. Ltd.	Sri Lankan Rupee 10	34160324	34160324	15.01	15.01
Total				**1155.53**	**1150.34**
Aggregate Market Value of Quoted Investments				1133.81	1128.62
Aggregate Amount of Unquoted Investments				21.72	21.72

Particulars	As at 31.03.2022	As at 31.03.2021
Current Investments		
Fully paid up - Unquoted		
In Mutual Fund Units: (at fair value through Profit or Loss)		
Income Plan: Growth Option	2509.69	4725.83
Aggregate Amount of Unquoted Investments	2509.69	4725.83

NOTE 4 : LOANS (Unsecured, considered good)

(₹ Crores)

	Non-Current As at 31.03.2022	Non-Current As at 31.03.2021	Current As at 31.03.2022	Current As at 31.03.2021
Loans to employees	0.82	2.67	3.18	6.77
Total	0.82	2.67	3.18	6.77

NOTE 5 : OTHER FINANCIAL ASSETS

(₹ Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Carried at Amortised cost:				
Bank deposits with more than 12 months maturity	0.06	0.05	-	-
Export Benefits Receivables	-	-	0.85	14.12
Interest Accrued on Loans and Deposits	-	-	51.50	40.52
Salary and Wage Advance	-	-	9.25	5.64
Fixed Deposits - others	-	-	600.00	-
Others	52.69	-	105.37	-
Carried at Fair value through Profit & Loss:				
Security Deposits	2.72	2.84	-	-
Deposits	17.47	16.05	-	-
Total	72.94	18.94	766.97	60.28

NOTE 6 : OTHER ASSETS

(₹ Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Capital Advances	527.94	234.41	-	-
Advances other than capital advances;				
Security Deposits (excludes Interest accrued and due – ₹ 1.71 Crore, Previous year - ₹ 2.66 Crore)	54.97	53.81	-	-
Advances to Employees	-	-	19.82	24.23
Sub Total	582.91	288.22	19.82	24.23
Others				
Advances recoverable in cash or kind	3.14	3.20	100.39	91.45
Prepaid Expenses	-	-	41.24	32.71
Others	-	-	43.09	108.30
Sub Total	3.14	3.20	184.72	232.46
Total	586.05	291.42	204.54	256.69

NOTE 7 : INVENTORIES

(₹ Crores)

	As at 31.03.2022	As at 31.03.2021
Raw Materials	1616.15	1308.75
Raw Materials in transit	98.38	93.57
Work-in-progress	394.46	325.05
Finished goods	1561.12	785.78
Stock-in-trade	36.32	36.15
Stores and Spares	355.29	331.03
Total	4061.72	2880.33

NOTE 8 : TRADE RECEIVABLES

(₹ Crores)

	As at 31.03.2022	As at 31.03.2021
Trade receivables		
Secured, considered good	1580.15	1499.94
Unsecured, considered good	703.11	612.26
Trade Receivables - credit impaired	2.08	2.45
Less: Expected Credit Loss Provision (Refer Note 24 (B) ii)	(2.08)	(2.45)
Total	2283.26	2112.20
Of the above, trade receivables due from a subsidiary Company (Refer Note 27 d)	0.66	0.03

Note: The Company has used a practical expedient for computing expected credit loss allowance for trade receivables, taking into account historical credit loss experience and accordingly, provisions are made for expected credit loss for amounts due from customers where necessary.

Trade Receivables Ageing Schedule

(₹ Crores)

Particulars	**Outstanding for following periods from due date of payment**				**Total**
	Less than 6 months	**6 months -1 year**	**1-2 Years**	**2-3 years**	
(i) Undisputed Trade Receivables – considered good	270.93 (336.20)	6.51 (6.95)	- -	- -	277.44 (343.15)
(ii) Undisputed Trade Receivables – credit impaired	- -	0.07 (0.06)	0.09 (0.31)	1.92 (2.08)	2.08 (2.45)
(iii) Amount Due	- -	- -	- -	- -	2005.82 (1769.05)
Total Gross					2285.34 (2114.65)
Allowance for Expected Credit Loss					2.08 (2.45)
Total					2283.26 (2112.20)

Figures in brackets are in respect of Previous year

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2022

NOTE 9 : CASH AND CASH EQUIVALENTS (as per Cash Flow Statement)

(₹ Crores)

	As at 31.03.2022	As at 31.03.2021
Balances with Banks		
- In Current accounts	81.80	56.68
- In Term deposits with original maturity of less than 3 months	-	20.27
Cheques, drafts on hand; and	30.55	25.07
Cash on hand	0.76	0.78
Total	113.11	102.80

NOTE 10 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ Crores)

	As at 31.03.2022	As at 31.03.2021
Unclaimed Dividend Account	1.74	2.54
Total	1.74	2.54

NOTE 11 : BORROWINGS

(₹ Crores)

	As at 31.03.2022	As at 31.03.2021
NON CURRENT		
Secured		
Soft loan from SIPCOT (At amortised cost)	64.12	63.13
Unsecured		
Term loans from Banks;		
- External Commercial Borrowings (ECB) (at fair value through OCI)	-	294.76
- Rupee Term Loan (At amortised cost)	749.99	450.00
Others		
Deferred Payment Liabilities (At amortised cost)	3.10	3.87
Sub Total	817.21	811.76
CURRENT		
Secured (At amortised cost)		
Loans repayable on demand		
- From banks	885.00	40.02
- Interest accrued on above	1.31	0.80
Current maturities of long-term debt	-	180.00
- Interest accrued on above	-	15.38
Unsecured		
Current maturities of long-term debt	291.69	87.11
- Interest accrued on above	8.51	10.96
Sub Total	1186.51	334.27
Total	2003.72	1146.03

Note: Security and terms of repayment in respect of above borrowings are detailed in Note 27 i

Reconciliation of Financing Liabilities

(₹ Crores)

	As at 31.03.2022	As at 31.03.2021
Opening balance		
- Long Term Borrowings	811.76	779.03
- Current borrowings	40.02	240.58
- Current maturities of long term debt	267.11	344.08
- Interest accrued on debt	27.14	44.33
Total - A	1146.03	1408.02
a) Cash flow movements		
- Proceeds from borrowings	1144.97	300.00
- Repayment of borrowings	(266.68)	(542.09)
b) Non-cash movements		
- Effect of amortization of loan origination costs	0.99	1.63
- Foreign exchange translation	(4.27)	(4.34)
- Interest Accrued on debt	(17.32)	(17.19)
Total - B	857.69	(261.99)
Closing Balance (A+B)	2003.72	1146.03
Closing Balance Break Up		
- Long Term Borrowings	817.21	811.76
- Current borrowings	885.00	40.02
- Current maturities of long term debt	291.69	267.11
- Interest accrued on debt	9.82	27.14

NOTE 12 : PROVISIONS

(₹ Crores)

	Non-Current		**Current**	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Provision for employee benefits (Refer Note 27 c)	51.09	51.68	17.65	50.48
Others:				
- Warranty and others (Refer Note 27 c)	167.58	159.57	162.39	149.25
Total	218.67	211.25	180.04	199.73

NOTE 13 : DEFERRED TAX LIABILITIES - (NET)

(₹ Crores)

	As at 31.03.2022	As at 31.03.2021
Deferred Tax Liabilities:		
- Arising on account of difference in carrying amount and tax base of PPE and Intangibles	428.45	445.69
- Unrealised gain/(loss) on FVTPL debt Mutual Funds	30.20	9.63
- Unrealised gain/(loss) on FVTOCI Debt Instruments	(1.44)	(2.27)
- Other adjustments	12.11	6.72
Sub Total	469.32	459.77
Deferred Tax Asset:		
- Accrued Expenses allowable on Actual Payments	28.69	26.93
- On remeasurements of defined benefit plans	26.74	33.21
- On revaluation of designated cash flow hedges	6.29	6.85
- On Right of Use Asset	14.30	14.28
Sub Total	76.02	81.27
Total	393.30	378.50

NOTE 14 : OTHER LIABILITIES

(₹ Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Contract Liabilities	-	-	43.27	31.41
Others;				
Dealers' Security Deposit	-	-	1679.81	1612.96
Retention Money	16.90	9.85	76.23	90.02
Statutory Dues	-	-	410.51	278.35
Deferred Income	164.27	171.19	23.54	11.98
Others	1.37	3.18	12.93	15.09
Total	182.54	184.22	2246.29	2039.81

During the year ended 31st March, 2022, the Company recognised revenue of ₹ 31.41 Crores as revenue from contracts with customers, the corresponding value for Previous year - ₹ 76.95 Crores.

Movement of contract liabilities is as under:

(₹ Crores)

	Year Ended 31.03.2022	Year Ended 31.03.2021
As at beginning of the year	31.41	83.68
Recognised as revenue from contracts with customers	(31.41)	(76.95)
Advance from customers received during the year	43.27	24.68
Balance at the close of the year	43.27	31.41

NOTE 15 : TRADE PAYABLES

(₹ Crores)

	As at 31.03.2022	As at 31.03.2021
Outstanding dues of Micro and Small Enterprises (Refer Note 27 f)	58.26	54.21
Outstanding dues of Creditors other than Micro and Small Enterprises	2716.06	4055.35
Total	2774.32	4109.56
Of the above;		
- Acceptances	427.14	1598.81
- Payable to Subsidiary Companies (net of receivables of ₹ 0.74 Crores, previous year - ₹ Nil) (Refer Note 27 d)	808.28	885.32

Trade Payables ageing schedule

(₹ Crores)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	
(i) MSME	1.58	-	-	-	1.58
	(7.56)	(0.01)	-	(0.02)	(7.59)
(ii) Others	374.34	2.46	14.02	20.67	411.49
	(831.68)	(18.81)	(19.70)	(15.01)	(885.20)
(iii) Amounts not due					2361.25
	-	-	-	-	(3216.77)

Figures in brackets are in respect of Previous year

NOTE 16 : OTHER FINANCIAL LIABILITIES

(₹ Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Carried at Amortised Cost :				
Unclaimed dividends	-	-	1.74	2.54
Employee benefits	-	-	101.15	107.79
Liabilities for expenses	106.83	-	111.62	165.10
Others	-	-	180.95	145.90
Carried at Fair Value :				
Derivative Financial Liabilities (FVTOCI)	-	-	3.59	21.60
Derivative Financial Liabilities (FVTPL)	-	-	0.42	1.07
Total	106.83	-	399.47	444.00

NOTE 17 : REVENUE FROM OPERATIONS

(₹ Crores)

	Year Ended 31.03.2022	Year Ended 31.03.2021
Revenue from Contracts with Customers:		
Sale of Goods (Refer note 27 e)	18679.33	15818.39
Sale of Services	20.87	16.74
Other Operating Revenues:		
Scrap Sales	121.91	86.22
Subsidy from State Government	167.40	-
Total	18989.51	15921.35

The Management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under IND AS 115 "Revenue from contracts with customers". Hence no separate disclosure of disaggregate revenues are reported. (Refer Note 27 e)

Reconciliation of revenue recognised with the contracted price is as follows: (₹ Crores)

	Year Ended 31.03.2022	Year Ended 31.03.2021
Gross Sales (Contracted Price)	19635.01	16487.73
Reductions towards variable consideration (Product, Turnover and Prompt payment discount)	(399.53)	(374.88)
Claims preferred against obligation (Note 1(C-13))	(245.97)	(191.50)
Revenue recognised	18989.51	15921.35

NOTE 18 : OTHER INCOME

(₹ Crores)

	Year Ended 31.03.2022	Year Ended 31.03.2021
Interest Income	99.08	125.43
Dividend Income from Non-Current Investment		
- From a Subsidiary	0.10	0.10
- Others	0.05	-
Government Grant :		
- Export Incentives	15.09	21.43
- Others	17.40	14.38
Net gain on sale of Investments classified as FVTPL	6.83	0.71
Net gain on fair value changes on financial assets classified as FVTPL	155.43	28.73
Miscellaneous Income	20.94	16.45
Total	314.92	207.23

Net gains (losses) on fair value changes (₹ Crores)

	Year Ended 31.03.2022	Year Ended 31.03.2021
Equity Investments designated at FVTPL	2.57	3.62
Debt Mutual Fund Investments designated at FVTPL	152.86	25.11
Total Net gains (losses) on fair value changes	155.43	28.73

NOTE 19 : COST OF MATERIALS CONSUMED

(₹ Crores)

	Year Ended 31.03.2022	Year Ended 31.03.2021
Opening Stock of Raw Materials	1402.32	1008.60
Purchases during the year	13566.66	9247.35
Closing Stock of Raw Materials	(1714.53)	(1402.32)
Total	13254.45	8853.63

NOTE 20 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ Crores)

	Year Ended 31.03.2022	Year Ended 31.03.2021
Closing Stock:		
Finished Goods	1561.12	785.78
Stock-in-Trade	36.32	36.15
Work-in-Progress	394.46	325.05
	1991.90	1146.98
Less: Opening Stock:		
Finished Goods	785.78	1238.79
Stock-in-Trade	36.15	34.85
Work-in-Progress	325.05	232.70
	1146.98	1506.34
Total	(844.92)	359.36

NOTE 21 : EMPLOYEE BENEFITS EXPENSE

(₹ Crores)

	Year Ended 31.03.2022	Year Ended 31.03.2021
Salaries and Wages	1189.24	1151.54
Contribution to provident and other funds	112.15	105.69
Staff welfare expenses	170.55	130.64
Total	1471.94	1387.87

NOTE 22 : FINANCE COSTS

(₹ Crores)

	Year Ended 31.03.2022	Year Ended 31.03.2021
Interest on Loans and Deposits	203.00	201.31
Interest on Debentures	2.78	20.64
Interest on Deferred Payment Credit	0.50	0.57
Interest on Lease liabilities (Refer Note 2 (a 2))	36.29	37.27
Other Borrowing Costs;		
Unwinding of discount relating to Long Term Liabilities	3.98	4.14
Other Charges	0.46	0.79
Total	247.01	264.72

NOTE 23 : OTHER EXPENSES

(₹ Crores)

	Year Ended 31.03.2022	Year Ended 31.03.2021
Stores and Spares	386.20	264.66
Power and Fuel	930.93	654.24
Processing Expenses	266.42	236.83
Rent (Refer Note 2 (a 2))	21.94	9.67
Rates and Taxes	14.18	11.08
Insurance	61.30	54.67
Printing and Stationery	9.36	9.73
Repairs and Renewals:		
Buildings	20.39	21.21
Plant and Machinery	152.33	123.57
Other Assets	82.38	70.31
Travelling and Conveyance	25.00	16.13
Communication Expenses	6.72	5.21
Vehicle Expenses	10.93	9.67
Auditors' Remuneration:		
As Auditors:		
Audit fee	0.79	0.68
Tax Audit fee	0.14	0.12
Other Services	0.06	0.06
Reimbursement of Expenses	0.06	0.03
	1.05	0.89
Cost Auditors Remuneration:		
Audit fee	0.08	0.08
Directors' Fees	0.13	0.12
Directors' Travelling Expenses	2.81	4.01
Advertisement	178.62	104.53
Warranty	14.06	63.04
VAT absorbed by the company	0.02	0.69
Bad debts written off (Net off Impairment reversal of – ₹ 0.67 Crore)	0.21	0.16
Commission	1.75	1.96
Freight and Forwarding (Net)	693.45	521.27
Loss on Sale of Fixed Asset (Net)	2.20	4.91
Net Loss on Foreign Currency Transactions	46.23	49.90
Bank Charges	7.56	5.99
Provision for Impairment of Assets (other than Financial Assets)	7.10	-
Provision for Impairment of Financial Assets	0.30	0.14
Corporate Social Responsibility Expenditure (Refer Note 27k)	33.92	90.21
Miscellaneous Expenses	100.80	75.15
Total	3078.37	2410.03

NOTE 24 :

A. Capital Management

For the purpose of Company's Capital Management, capital includes Issued Equity Capital, Securities Premium and all other Equity Reserves attributable to the Equity Holders of the Company. The primary objective of the Company's Capital Management is to maximise the Shareholder Value.

The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and requirements of the financial covenants and to continue as a going concern. The Company monitors using a gearing ratio which is net debts divided by total capital plus net debt. The company includes within net debt, interest bearing loans and borrowings, less cash and short term deposit.

(₹ Crores)

Particulars	31.03.2022	31.03.2021
Interest bearing Loans and Borrowings	2008.38	1130.08
Less: Cash and Short Term Deposits	(113.11)	(102.80)
Net Debt	1895.27	1027.28
Equity	4.24	4.24
Other Equity	13773.03	13174.62
Total Capital	13777.27	13178.86
Capital and Net Debt	15672.54	14206.14
Gearing Ratio %	12.09%	7.23%

B. Financial Risk Management

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the operations of the Company. The principal financial assets include trade and other receivables, investments in mutual funds,bonds,cash and short term deposits.

The Company has assessed market risk, credit risk and liquidity risk to its financial instruments.

i) Market Risk

Is the risk of loss of future earnings, fair values or cash flows that may result from a change in the price of a financial instrument, as a result of interest rates, foreign exchange rates and other price risks. Financial instruments affected by market risks, primarily include loans & borrowings, investments and foreign currency receivables, payables and borrowings.

a) Interest Rate Risk :

The Company borrows funds in Indian Rupees and Foreign currency, to meet both the long term and short term funding requirements. The Interest rate risk in terms of Foreign currency is managed through financial instruments available to convert floating rate liability into fixed rate liability. The Company due to its AAA rated status commands one of the cheapest source of funding. Interest rate is fixed for the tenor of the Long term loans availed by the Company. Interest on Short term borrowings is subject to floating interest rate and are repriced regularly. The sensitivity analysis detailed below have been determined based on the exposure to variable interest rates on the average outstanding amounts due to bankers over a year.

If the interest rates had been 1% higher / lower and all other variables held constant, the company's profit for the year ended 31st March, 2022 would have been decreased/increased by ₹ 4.54 crores. (Previous year - ₹ 2.92 Crores).

b) Currency Risk :

Foreign currency risks from financial instruments at the end of the reporting period expressed in INR:

Unhedged Short Term Exposures:

(₹ Crores)

	31.03.2022	31.03.2021
Financial Assets	253.61	174.23
Financial Liabilites	212.40	233.39

The company is mainly exposed to changes in US Dollar. The sensitivity to a 2% (Previous year 2%) increase or decrease in US Dollar against INR with all other variables held constant will be +/(-) ₹ 0.87 Crores (Previous year - ₹ 0.82 Crores).

The Sensitivity analysis is prepared on the net unhedged exposure of the company at the reporting date.

Hedged Foreign Currency Exposures:

Foreign Exchange forward Contracts on External Commercial borrowings and certain highly probable forecast transactions, are measured at fair value through OCI on being designated as Cash Flow Hedges.

The Company also enters into foreign exchange forward contracts with the intention to minimise the foreign exchange risk of expected purchases, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

The outstanding position and exposures are as under :

i) Foreign Currency forward contracts designated as Hedge Instruments:

	Currency	Amount		₹ Crores	Nature	Cross Currency
Currency/Interest Rate Swap	USD	45.00	Million	288.59	ECB Loan	
		(58.33)	Million	(374.59)		INR
Forward Contract	USD	135.18	Million	1042.38	Import purchase	
		(140.22)	Million	(1065.30)		

The terms of the foreign currency forward contracts match the terms of the transactions. As a result, no hedge ineffectiveness arises requiring recognition through profit or loss.

ii) Other Forward Contract Outstanding :

	Currency	Amount		₹ Crores	Nature	Cross Currency
Forward Contract	USD	24.96	Million	190.91	Import purchase	INR
		(36.19)	Million	(267.06)		

Figures in brackets are in respect of Previous year

iii) The following table provides the reconciliation of cash flow hedge for the year ended 31st March, 2022:

(₹ Crores)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Balance at the beginning of the year	1.59	11.35
Gain / (Loss) recognized in other comprehensive income during the year	2.25	(13.05)
Tax impact on above	(0.56)	3.29
Balance at the end of the year	3.28	1.59

c) **Price Risk :**

The Company is affected by the price stability of certain commodities. Due to the significantly increased volatility of certain commodities like Natural Rubber, Synthetic Rubber and other Chemicals, the Company enters into purchase contracts on a short to medium Term and forward foreign exchange contracts are entered into to bring in stability of price fluctuations.

The Company's investments in Quoted and Unquoted Securities are susceptible to market price risk arising from uncertainties about future values of investment securities. The company manages the securities price risk through investments in debt funds and diversification by placing limits on individual and total investments. Reports on Investment Portfolio are reviewed on regular basis and all approvals of investment decisions are done in concurrence with the senior management.

As at 31st March, 2022 the investments in debt mutual funds and bonds amounts to ₹ 3632.50 Crores (Previous year - ₹ 5846.02 Crores). A 1% point increase or decrease in the NAV with all other variables held constant would have lead to approximately an additional ₹ 36 Crores (Previous year ₹ 58 Crores) on either side in the statement of profit and loss.

ii) **Credit Risk**

Is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. It arises from credit exposure to customers, financial instruments viz., Investments in Equity Shares, Bonds, Debt Funds, Fixed Deposits Others and Balances with Banks.

The Company's marketing policies are well structured and all replacement sales are predominantly through dealers and the outstanding are secured by dealer deposits. As regards sales to O.E., and other institutional sales, the Company carries out periodic credit checks and also limits the exposure by establishing maximum payment period for customers and by offering prompt payment discounts. The outstanding trade receivables due for a period exceeding 180 days as at the year ended 31st March, 2022 is 0.25% (31st March, 2021 0.64%) of the total trade receivables.

There are no transactions with single customer which amounts to 10% or more of the Company's revenue.

The company uses Expected Credit Loss (ECL) Model to assess the impairment loss or gain. The allowance for lifetime ECL on customer balances for the year ended 31 March, 2022 was ₹ 2.08 Crores and for the year ended 31 March, 2021 was ₹ 2.45 Crores.

(₹ Crores)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Balance at the beginning	2.45	2.31
Impairment loss recognised	0.30	0.14
Impairment loss reversed	0.67	-
Balance at the end	2.08	2.45

The Company holds cash and deposits with banks which are having highest safety rankings and hence has a low credit risk.

Investments in mutual funds are primarily debt funds, which have high safety ratings and are monitored on a monthly basis and the Company is of the opinion that its mutual fund investments have low credit risk.

iii) Liquidity Risk

The Company manages liquidity risk by maintaining adequate surplus, banking facilities and reserve borrowings facilities by continuously monitoring forecasts and actual cash flows.

The Company has a system of forecasting rolling three months cash inflow and outflow and all liquidity requirements are planned.

All Long term borrowings are for a fixed tenor and generally these cannot be foreclosed.

The Company has access to various source of Short term funding and debt maturing within 12 months can be rolled over with existing lenders/new lenders, or repaid based on short term requirements.

Trade and other payables are plugged into the three months rolling cash flow forecast to ensure timely funding, if required.

All payments are made along due dates and requests for early payments are entertained after due approval and availing early payment discounts.

The details of the contractual maturities of significant financial liabilities as at 31st March, 2022 are as under:

(₹ Crores)

Particulars	**Refer Note**	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Borrowings	Note 11 and 14	1186.51	251.87	401.21	180.92
		(334.27)	(446.42)	(202.21)	(180.92)
Trade Payable	Note 15	2774.32	-	-	-
		(4109.56)	(-)	(-)	(-)
Other Financial Liabilities	Note 16	296.58	106.83	-	-
		(333.67)	(-)	(-)	(-)
Employee Benefit liabilities	Note 16	101.15	-	-	-
		(107.79)	(-)	(-)	(-)
Unclaimed dividends	Note 16	1.74	-	-	-
		(2.54)	(-)	(-)	(-)
Lease Liabilities		60.08	108.02	106.63	136.22
		(54.99)	(94.02)	(94.81)	(123.80)

Figures in brackets are in respect of Previous year

NOTE 25 :

A) Fair Values and Hierarchy

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(₹ Crores)

Particulars	Hierarchy	Carrying Value/ Fair Value	
		As at 31.03.2022	As at 31.03.2021
Financial Assets			
- Investments	Level One	3643.50	5854.45
- Others financial assets	Level One	17.47	16.05
Financial Liabilities			
- Borrowings	Level Two	291.69	294.76
- Derivative Financial Liabilities (Net)	Level Two	4.01	22.67

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The Fair Value of financial assets and liabilities included is the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair value.

1. The Fair values of Debt Mutual Funds and Quoted Equities are based on NAV / Quoted Price at the reporting date. Further, the Company had invested in Co-operative Societies and in certain other companies towards the corpus. These are non participative shares and normally no dividend is accrued. The Company has carried these investments at it transaction value considering it to be its fair value.

2. The Company enters into Derivative financial instruments with counterparties principally with Banks with investment grade credit ratings. The Interest Rate swaps, foreign exchange forward contracts are valued using valuation techniques which employs the use of market observable inputs namely, Marked-to-Market.

NOTE 26 : Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

(₹ Crores)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Accounting Profit before Income Tax	879.16	1700.27
At statutory income tax rate of 25.168%	221.27	427.92
Additional deduction on Research and Development expense	-	(8.02)
Difference in Capital Gains tax payable	-	6.91
Effect of non-deductible expenses/other adjustments	11.59	26.42
Effect of deductions available under Income Tax Act	(1.04)	(2.02)
Total	231.82	451.21

NOTE 27: ADDITIONAL/EXPLANATORY INFORMATION

a. Disclosure required by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and section 186(4) of the Companies Act, 2013:

1. Details of Investments made are given in Note 3
2. Amount of Loans and advances in the nature of loans outstanding from /to subsidiaries ₹ Nil (Previous year - ₹ Nil)
3. Loans to employees have been considered to be outside the purview of disclosure requirements.
4. Investment by Loanee in the shares of the Parent company - Nil (Previous year - Nil).

b. Lease Disclosure:

Maturity analysis of lease liabilities (₹ Crores)

Maturity Analysis - Contractual undiscounted cash flows	31.03.2022	31.03.2021
Less than 1 year	100.80	86.00
1-5 years	369.82	327.80
More than 5 years	158.24	145.19
Total undiscounted lease liabilities as at 31st March, 2022	628.86	558.99

c. Movement in provisions as required by IND AS - 37 - "Provisions, Contingent Liabilities and Contingent Asset". (₹ Crores)

	As at 31.03.2021	**Provided during the year**	**Used during the year**	**Reversed during the year**	**Unwinding discounts**	**As at 31.03.2022**
(i) Warranty	238.82	263.86	245.97	-	1.13	255.58
	(173.75)	(257.60)	(191.50)	-	(1.03)	(238.82)
(ii) Employee Benefits	102.16	12.58	46.00	-	-	68.74
	(98.46)	(50.70)	(47.00)	-	-	(102.16)
(iii) Litigation and related disputes	70.00	4.20	-	16.11	-	58.09
	(70.03)	(0.16)	-	(0.19)	-	(70.00)
(iv) Corporate Social Responsibility (CSR)	-	16.30	-	-	-	16.30
	-	-	-	-	-	-

Notes :

(i) Cash outflow towards warranty provision would generally occur during the next two years.

(ii) Provision for employee benefits includes gratuity, post retirement benefits and compensated absence.

(iii) Litigation and related disputes represents estimates mainly for probable claims arising out of litigation/disputes pending with authorities under various statutes (i.e. Service Tax, Excise and Customs Duty, Electricity/Fuel Surcharge, Cess). The probability and the timing of the outflow with regard to these matters will depend on the final outcome of the litigations/disputes.

(iv) Cash outflow towards CSR provision would generally occur during the next three years.

(v) Figures in brackets are in respect of Previous year.

d. Related party disclosures:

(a) Names of related parties and nature of relationship where control exists are as under:

Subsidiary Companies :	i)	MRF Corp Ltd.
	ii)	MRF International Ltd.
	iii)	MRF Lanka (Private) Ltd.
	iv)	MRF SG PTE. LTD

(b) Names of related parties and nature of relationship with whom transactions have taken place:

Key Management Personnel (KMP) :	i)	Mr. K.M. Mammen, Chairman and Managing Director
	ii)	Mr. Arun Mammen, Vice Chairman and Managing Director
	iii)	Mr. Rahul Mammen Mappillai, Managing Director
	iv)	Mr. Samir Thariyan Mappillai, Whole-time Director
	v)	Mr. Varun Mammen, Whole-time Director
	vi)	Mr. S. Dhanvanth Kumar, Company Secretary
	vii)	Mr. Madhu P Nainan, Vice President Finance
Close Members of the family of KMP :	i)	Mrs. Ambika Mammen, Director (Wife of Chairman and Managing Director)
	ii)	Dr. (Mrs) Cibi Mammen, Director (Wife of Vice Chairman and Managing Director)
	iii)	Mrs. Meera Mammen (Mother of Mr. Varun Mammen)
Companies in which Directors are interested :		Badra Estate & Industries Limited, Devon Machines Pvt. Ltd., Coastal Rubber Equipments Pvt. Ltd. Braga Industries LLP, Jcee Manufacturing & Services Pvt. Ltd. Funskool (India) Ltd., VPC Freight Forwarders Pvt Ltd, The Malayala Manorama Co. Private Limited
Other Related Parties		Mr. Jacob Kurian - Director, MRF Ltd. Executives Provident Fund Trust, MRF Management Staff Gratuity Scheme, MRF Employees Gratuity Scheme, MRF Managers' Superannuation Scheme, MRF Foundation.

(c) Transactions with related parties (excluding reimbursements) (₹ Crores)

	Nature of Transaction	Subsidiary Companies	KMP	Close member of the KMP	Companies in which Directors are interested	Other Related Parties
		Year Ended 31 March 2022	Year Ended 31 March 2022	Year Ended 31 March 2022	Year Ended 31 March 2022	Year Ended 31 March 2022
i)	Sale of Materials	0.01	-	-	5.00	0.55
		(0.02)	-	-	(4.25)	-
ii)	Purchase of Materials/Machinery	2049.50	-	-	180.84	-
		(1180.97)	-	-	(136.48)	-
iii)	Sale of Finished Goods	1.43	-	-	-	-
		(1.35)	-	-	-	-
iv)	Payment towards Service	-	-	-	17.82	-
		-	-	-	(12.27)	-
v)	Selling and Distribution Expenses	-	-	-	1.72	-
		-	-	-	(1.28)	-
vi)	Dividend Received	0.10	-	-	-	-
		(0.10)	-	-	-	-
vii)	Other Receipts	0.15	-	-	1.84	-
		(0.15)	-	-	(1.77)	-
viii)	Professional charges	-	-	-	-	0.17
		-	-	-	-	(0.22)
ix)	Contribution to Retirement Benefit fund /Others	-	-	-	-	94.87
		-	-	-	-	(180.71)
	Compensation*					
x)	Short term Employee benefit (including Commission payable to KMP)	-	82.96	2.40	-	-
		-	(85.78)	(2.27)	-	-
xi)	Sitting fees	-	-	0.02	-	-
		-	-	(0.02)	-	-

* Remuneration does not include provisions made for Gratuity and Leave benefits as they are determined on an actuarial basis for the Company as a whole.

	Nature of Transaction	Subsidiary Companies	KMP	Close member of the KMP	Companies in which Directors are interested	Other Related Parties
	Outstanding as at Year End					
xii)	Investments	21.65	-	-	-	-
		(21.65)	-	-	-	-
xiii)	Trade Receivables	0.66	-	-	-	-
		(0.03)	-	-	-	-
xiv)	Other Receivables	0.74	-	-	26.59	-
		-	-	-	(2.28)	-
xv)	Trade Payables	809.02	-	-	16.44	-
		(885.32)	-	-	(20.14)	-
xvi)	Commission Payable	-	30.57	-	-	-
		-	(35.47)	-	-	-
xvii)	Contribution payable to Retirement Benefit fund/ Others	-	-	-	-	13.43
		-	-	-	-	(46.85)

Figures in brackets are in respect of Previous year

(d) Terms and conditions of transactions with related parties:

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (Previous Year - ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

e. Disclosures under IND AS 108 - "Operating Segment":

The Company is engaged interalia in the manufacture of Rubber Products such as Tyres, Tubes, Flaps, Tread Rubber. These in the context of IND AS - 108 - 'Operating Segment' are considered to constitute one single primary segment. The Company's operations outside India do not exceed the quantitative threshold for disclosure envisaged in the IND AS. Non-reportable segments has not been disclosed as unallocated reconciling item in view of its materiality. In view of the above, operating segment disclosures for business/geographical segment are not applicable to the Company.

Entity wide disclosure required by IND AS 108 are as detailed below:

(₹ Crores)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
(i) Products:		
Automobile Tyres	17048.83	14364.03
Automobile Tubes	1233.43	1122.00
Others	397.07	332.36
	18679.33	15818.39
(ii) Revenue from Customers:		
India	16900.00	14485.11
Outside India	1779.33	1333.28
	18679.33	15818.39
(iii) Non Current Assets:		
India	12749.13	12107.70
Outside India	0.06	0.06

(iv) There are no transactions with single customer which amounts to 10% or more of the Company's revenue.

f. Disclosures under The Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED'):

The details of liabilities to Micro and Small Enterprises, to the extent information available with the Company are given under:

(₹ Crores)

	Particulars	31.03.2022	31.03.2021
(i)	Principal amounts remaining unpaid to suppliers as at the end of the accounting year	58.26	54.21
(ii)	Interest accrued and due to suppliers on above amount, unpaid	0.15	0.20
(iii)	The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006, along with the amounts of the payment made to the Supplier beyond the appointed day during the accounting year	-	-
(iv)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	0.04	0.05
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	0.19	0.25
(vi)	The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006	1.06	0.87

g. Disclosures as per IND AS - 19 - Employee Benefits

1) The contributions to MRF Limited Executives Provident Fund Trust is a defined benefit plan in terms of the definition mentioned in para 7 of IND AS -19 the accounting for which is to be done on an actuarial basis. The actuary has provided a valuation of provident fund liability based on the assumptions listed below and determined that there is no shortfall as at 31st March, 2022 and for the year ended 31st March 2021.

The details of fund and plan assets are given below :

(₹ Crores)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Fair value of plan assets	326.07	290.23
Present value of defined benefit obligations	317.59	287.98
Net excess/(Shortfall)	8.48	2.25

The plan assets have been primarily invested in Government securities, Corporate bonds and Exchange Traded Funds.

The principal assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:

Projection is restricted to five years or earlier, if retirement occurs.

Expected guaranteed interest rate - 8.10% (Previous year - 8.50%)

Discount rate - 7.30% (Previous year - 6.80%)

2) During the year, the company has recognised the following amounts in the Statement of Profit and Loss:

(₹ Crores)

	Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
i)	Employer's contribution to Provident Fund and Family Pension Fund	63.34	58.85
ii)	Employer's contribution to Superannuation Fund	18.74	17.15
iii)	Leave Encashment - Unfunded	10.62	17.14
iv)	Defined benefit obligation:		
	a) Post Retirement Medical Benefit - Unfunded	0.23	0.07

b) The valuation results for the defined benefit gratuity plan as at 31-3-2022 are produced in the tables below:

i) Changes in the Present Value of Obligation

(₹ Crores)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Present Value of Obligation as at the beginning	434.13	385.93
Current Service Cost	23.21	21.54
Interest Expense or Cost	29.50	26.22
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in demographic assumptions	-	-
- change in financial assumptions	(21.36)	-
- experience variance (i.e. Actual experience vs assumptions)	8.18	20.99
Past Service Cost	-	-
Benefits Paid	(22.79)	(20.55)
Present Value of Obligation as at the end	450.87	434.13

ii) Changes in the Fair Value of Plan Assets

(₹ Crores)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Fair Value of Plan Assets as at the beginning	388.28	338.16
Investment Income	26.38	22.98
Employer's Contribution	46.00	47.00
Benefits Paid	(22.79)	(20.55)
Return on plan assets, excluding amount recognised in net interest expense	0.80	0.69
Fair Value of Plan Assets as at the end	438.67	388.28

iii) Expenses Recognised in the Income Statement

(₹ Crores)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Current Service Cost	23.21	21.54
Past Service Cost	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	3.12	3.24
Payable/(Recoverable) to/ from a subsidiary company	(0.64)	(0.58)
Expenses Recognised in the Income Statement	25.69	24.20

iv) Other Comprehensive Income

(₹ Crores)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Actuarial (gains) / losses		
- change in demographic assumptions	-	-
- change in financial assumptions	(21.36)	-
- experience variance (i.e. Actual experience vs assumptions)	8.18	20.99
Return on plan assets, excluding amount recognised in net interest expense	(0.80)	(0.69)
Payable/(Recoverable) from a subsidiary company	(0.09)	0.60
Components of defined benefit costs recognised in other comprehensive income	(14.07)	20.90

v) Major categories of Plan Assets (as percentage of Total Plan Assets)

Particulars	As at 31.03.2022	As at 31.03.2021
Funds managed by Insurer	100%	100%

- In the absence of detailed information regarding Plan assets which is funded with Insurance Company, the composition of each major category of Plan assets, the percentage or amount for each category to the fair value of Plan assets has not been disclosed.

- The group gratuity Policy with LIC includes employees of MRF Corp Ltd., a Subsidiary Company.

vi) Actuarial Assumptions

a. Financial Assumptions

The principal financial assumptions used in the valuation are shown in the table below:

Particulars	As at 31.03.2022	As at 31.03.2021
Discount rate (per annum)	7.30%	6.80%
Salary growth rate (per annum)	5.50%	5.50%

b. Demographic Assumptions

Particulars	As at 31.03.2022	As at 31.03.2021
Mortality Rate % of IALM 2012-14 (% of IALM 2006-08)	100%	100%
Withdrawal rates, based on age: (per annum)		
Up to 30 years	3.00%	3.00%
31 - 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

vii) Amount, Timing and Uncertainty of Future Cash Flows

a. Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

(₹ Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Defined Benefit Obligation (Base)	450.87	434.13

Particulars	31.03.2022		31.03.2021	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	495.50	412.48	479.45	395.33
(% change compared to base due to sensitivity)	9.90%	(8.50%)	10.40%	(8.90%)
Salary Growth Rate (- / + 1%)	411.48	495.92	394.49	479.65
(% change compared to base due to sensitivity)	(8.70%)	10.00%	(9.10%)	10.50%
Attrition Rate (- / + 50%)	448.63	452.90	432.99	435.14
(% change compared to base due to sensitivity)	(0.50%)	0.50%	(0.30%)	0.20%
Mortality Rate (- / + 10%)	450.12	451.61	433.46	434.79
(% change compared to base due to sensitivity)	(0.20%)	0.20%	(0.20%)	0.20%

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of valuation for the prior period. For change in assumptions please refer to point (vi) above, where assumptions for prior period, if applicable, are given.

b. Asset Liability Matching Strategies
The scheme is managed on funded basis.

c. Effect of Plan on Entity's Future Cash Flows
- Funding arrangements and Funding Policy
The scheme is managed on funded basis.

(₹ Crores)

	31.03.2022	31.03.2021
- Expected Contribution during the next annual reporting period		
The Company's best estimate of Contribution during the next year	32.28	31.15
- Maturity Profile of Defined Benefit Obligation		
Weighted average duration (based on discounted cash flows)	10 years	10 years

(₹ Crores)

- Expected cash flows over the next (valued on undiscounted basis):	31.03.2022	31.03.2021
1 year	46.12	41.87
2 to 5 years	148.35	124.47
6 to 10 years	203.02	200.23
More than 10 years	645.96	608.13

v) Other Long Term Employee Benefits:

(₹ Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Present value of obligation as at:		
Leave Encashment	49.98	49.97
Post Retirement Medical Benefits	6.56	6.35

h. (i) Revenue expenditure on Research and Development activities during the year ended 31st March, 2022:

(₹ Crores)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
1) Salaries Wages and Other Benefits	43.19	44.59
2) Repairs and Maintenance	15.63	11.23
3) Power	7.81	5.35
4) Travelling and Vehicle Running	2.48	1.32
5) Cost of Materials/Tyres used for Rallies / Test Purpose	11.36	7.94
6) Other Research and Development Expenses	15.15	7.17
	95.62	77.60

(ii) Capital Expenditure on Research and Development during the year, as certified by the management is ₹ 6.71 Crores (Previous year excluding Building - ₹ 31.75 Crores).

This information complies with the terms of the Research and Development recognition granted upto 31st March, 2024 for the Company's in-house Research and Development activities by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India, vide their Letter No.TU/IV-RD/118/2021 dated 20th October, 2021.

i. Terms of Repayment and Security Description of Borrowings: (Refer Note 11)

a) Current Borrowings

i) ECB (Unsecured) from the HSBC Bank

USD 45 Million availed in December, 2017 is for capital expenditure. Interest is payable at a rate equal to the six months BBA LIBOR plus margin of 0.80% payable half yearly (Previous year- six months BBA LIBOR plus margin of 0.80%). The said Loan is fully hedged and is repayable in one full installment in December, 2022.

ii) Loans repayable on demand from banks are secured by hypothecation of Inventories and book debts, equivalent to the outstanding amount and carries interest rates at the rate of 3.80% to 6.85% (Previous year - 6.60% to 8.85%).

The quartely returns filed by the Company with banks, against borrowings on the basis of security of current asset, are in agreement with the books of accounts and there are no material discrepancies.

b) Non Current Borrowings

i) Indian Rupee Term Loan (Unsecured) from the HSBC Bank

a) Indian Rupee Term Loan of ₹ 150 Crores availed in February, 2019 is for capital expenditure. Interest is payable at a rate equal to the three months T-Bill rate plus a margin of 1.49% (Previous year - 1.49%) payable monthly. The said Loan is repayable in one full installment in February, 2024.

b) Indian Rupee Term Loan of ₹ 150 Crores availed in July, 2021 is for capital expenditure. Interest is payable at a rate equal to the three months T-Bill rate plus a margin of 1.33% payable monthly. The said Loan is repayable in three equal annual installment in July, 2025/ July, 2026/ July, 2027.

ii) Indian Rupee Term Loan (Unsecured) from the HDFC Bank

a) Indian Rupee Term Loan of ₹ 300 Crores availed in June, 2020 is for capital expenditure. Interest is payable at a rate equal to repo rate plus a margin of 1.7% payable monthly. The said Loan is repayable in three equal annual installment in June, 2024/June, 2025/June, 2026.

b) Indian Rupee Term Loan of ₹ 150 Crores availed in June, 2021 is for capital expenditure. Interest is payable at a rate equal to repo rate plus a margin of 0.75% payable monthly. The said Loan is repayable in three equal annual installment in June, 2025/June, 2026/June, 2027.

iii) Secured Loan availed under SIPCOT soft loan in March 2020,Interest is payable at a rate of 0.10% (Previous year - 0.10%) payable quarterly are secured by way of second charge on the Fixed Assets created at the company's plants at Perambalur, near Trichy, Tamil Nadu. This loan will be repaid in full in April 2033.

iv) Deferred payment credit is repayable along with interest (at varying rates) in 240 consecutive monthly instalments ending in March 2026.

j. The amount due and paid during the year to "Investor Education and Protection Fund" is ₹ 0.38 Crores (Previous year - ₹ 0.38 Crores)

k. Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceeding three financial years on corporate social responsibility (CSR) Activities, which for the financial year ended 31st March 2022 amounts to ₹ 33.92 Crores (Previous year - ₹ 30.44 Crores). A CSR Committee has been formed by the Company as per the Act. During the financial year ended 31st March, 2022, the Company has incurred an amount of ₹ 17.62 Crores.

Amount spent during the year on:

(₹ Crores)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
1) Amount required to be spent by the company during the year	33.92	30.44
2) Amount of expenditure incurred on:		
(i) Construction/acquisition of any asset	8.57	*** 67.45
(ii) On Purposes other than (i) above	9.05	22.76
3) Shortfall at the end of the year	16.30	-
4) Total of previous years shortfall	-	-
5) Reason for shortfall	* -	-
6) Nature of CSR activities	** -	** -
7) Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard		
- Contribution to MRF Foundation in relation to CSR expenditure	16.42	59.77

*The shortfall in CSR expenditure was on account of delay in implementation of projects and project duration extending beyond one financial year as per their original schedule of implementation. The shorfall will be transfereed to unspent CSR Bank account and spent as per CSR Rules.

**Disaster Management including Relief ,Promotion of Education, Environmental Sustainability, Livelihood enhancement, Vocational Skill development, Promoting Health care, Safe drinking water, Training for Sports, Sanitation and Hygiene, Rural Development projects.

***Above includes a contribution of ₹ 59.77 Crores paid to MRF Foundation for setting up a new Driver Development Institute for MRF Institute of Driver Development (MIDD).

l. Events Occuring after the Balance Sheet date

The proposed final dividend for financial year 2021-22 amounting to ₹ 61.07 Crores will be recognised as distribution to owners during the financial year 2022-23 on its approval by Shareholders. The proposed final dividend amounts to ₹ 144/- per share.

m. Earnings Per Share

Particulars		Year Ended 31.03.2022	Year Ended 31.03.2021
Profit after taxation	₹ Crores	647.34	1249.06
Number of equity shares (Face Value ₹ 10/-)	Nos.	4241143	4241143
Earnings per share	₹	1526.34	2945.09

n. Capital and Other Commitments

(i) Estimated amount of contracts remaining to be executed on Capital Account, net of advances and not provided for - ₹ 3031.32 Crores (Previous year - ₹ 1454.21 Crores)

(ii) Guarantees given by the Banks - ₹ 43.84 Crores (Previous year - ₹ 40.90 Crores)

(iii) Letters of Credit issued by the Banks - ₹ 182.45 Crores (Previous year - ₹ 19.40 Crores)

(iv) Commitments relating to Lease arrangements - Refer Note 27 (b)

(v) Derivative contract related commitments - Refer Note 24B(i)(b)

o. (i) Key Financial Ratios

SI. No.	Description	Numerator	Denominator	2021-22	2020-21	Change in Percentage (%)	Reasons for Change if variation is more than 25%
1.	Current Ratio	Current assets	Current Liabilities	1.45	1.41	3	
2.	Debt Equity Ratio	Long Term Debt	Shareholder's Equity	0.08	0.08	-	
3.	Debt Service Coverage Ratio	EBITDA	Interest Expense + Principal Repayments	4.83	5.46	(12)	
4.	Return on Equity (%)	PAT	Average Shareholder's Equity	4.80%	9.92%	(52)	Reduction is due to drop in Current year PAT
5.	Inventory Turnover Ratio	Cost of Sales	Average Inventory	5.45	5.18	5	
6.	Trade Receivables Turnover Ratio	Net Credit Sales	Average Trade Receivables	8.56	7.47	15	
7.	Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	3.94	2.61	51	Increase is due to increase in Purchase value for current year
8.	Net Capital Turnover Ratio	Net Sales	Working Capital	6.13	5.37	14	
9.	Net Profit Margin (%)	PAT	Total Income	3.35%	7.74%	(57)	Reduction is due to Sharp Increase in Raw material cost
10.	Return on Capital Employed (%)	EBIT (Excluding Other income)	Capital Employed	5.13%	11.68%	(56)	Reduction is due to drop in Current year profit
11.	Return on Investment	Income generated from Invested funds	Time weighted average of investments (includes Quoted Equity shares, Debt instruments-Bonds and Unquoted mutual funds)	7.62%	9.03%	(16)	

(ii) The company did not have any material transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act,1956 during the financial year.

p. (i) Contingent Liabilities not provided for:

Claims not acknowledged as debts:

(a) Competition Commission of India (CCI) matter - Refer Note 1 below

(b) Disputed Sales Tax demands pending before the Appellate Authorities /High Court - ₹ 196.03 Crores (Previous year - ₹ 195.97 Crores)

(c) Disputed Excise/Customs Duty demands pending before the Appellate Authorities/High Court - ₹ 339.96 Crores (Previous year - ₹ 323.94 Crores)

(d) Disputed Income Tax Demands - ₹ 159.87 Crores (Previous year - ₹ 96.58 Crores). Against the said demand the company has deposited an amount of ₹ 97.52 Crores (Previous Year - ₹ 49.55 Crores)

(e) Disputed Goods and Service Tax demands pending before the Appellate Authorities - ₹ 1.57 Crores (Previous year- ₹ 0.29 Crores)

(f) Contested EPF Demands pending before Appellate Tribunal- ₹ 1.10 Crores (Previous year - ₹ 1.10 Crores)

Note 1: In terms of the Order dated 31st August, 2018 the Competition Commission of India (CCI) has on 2nd February, 2022 released its Order imposing penalty on the Company concerning the breach of provisions of the Competition Act, 2002 during the year 2011-2012 and imposed a penalty of ₹ 622.09 Crores on the Company. The Company has filed an appeal against the CCI Order before the National Company Law Appellate Tribunal (NCLAT). Based on the Company's assessment on the outcome of the appeal, the Company is of the view that no provision is necessary in respect of this matter in the Standalone Financial Statements.

(ii) Previous year's figures have been re-grouped/re-classifed to confirm to the requirements of the amended schedule III to the Companies Act, 2013 effective 1st April, 2021.

q. Other Notes:

	Particulars	Year Ended 31.03.2022		Year Ended 31.03.2021	
		% of total Consumption	Value ₹ Crores	% of total Consumption	Value ₹ Crores
1)	Value of imported/indigenous raw material/ stores and spares consumed :				
	Raw Materials				
	Imported at landed cost	29.92	3965.34	30.16	2670.09
	Indigenous	70.08	9289.11	69.84	6183.54
		100.00	13254.45	100.00	8853.63
	Stores and Spares				
	Imported at landed cost	8.86	34.21	10.04	26.57
	Indigenous	91.14	351.99	89.96	238.09
		100.00	386.20	100.00	264.66

(₹ Crores)

	Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
2)	Details of Purchase of Traded Goods under broad heads:		
	T and S Equipments	3.47	6.79
	Sports Goods	10.61	5.99
	Tyres and Tubes	-	0.17
	Others	2.93	2.83
		17.01	15.78
3)	CIF Value of Imports:		
	a. Raw Materials	4048.35	2430.74
	b. Components and Spare Parts	54.10	33.61
	c. Capital Goods	413.38	263.16
4)	Earnings in Foreign Exchange:		
	FOB Value of Exports	1521.29	1112.96
	Freight and Insurance	43.75	16.33

Note: FOB Value of Exports excludes export sales in Indian Rupee

5)	Expenditure in Foreign Currency paid or payable by the Company:		
	a. Interest and Finance Charges	2.70	2.35
	b. Professional and Consultation Fees	12.30	9.96
	c. Travelling	1.20	1.66
	d. Advertisements	100.65	18.78
	e. Traded goods	0.86	1.59
	f. Insurance	4.39	3.82
	g. Product warranty claims	1.20	0.93
	h. Others	18.51	22.48

For M M NISSIM & CO LLP
Chartered Accountants
Firm Reg. No. 107122W / W100672

For MAHESH, VIRENDER & SRIRAM
Chartered Accountants
Firm Reg. No. 001939S

N. KASHINATH
Partner
Mem. No. 036490
Chennai
Dated 10th May, 2022

B R MAHESH
Partner
Mem. No. 18628
Hyderabad

MADHU P NAINAN
Vice President Finance

S DHANVANTH KUMAR
Company Secretary
Chennai

JACOB KURIAN
Director
DIN: 00860095

V SRIDHAR
Director
DIN: 00020276

K M MAMMEN
Chairman &
Managing Director
DIN: 00020202

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MRF LIMITED

1. Opinion

We have audited the accompanying Consolidated Financial Statements of MRF Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement for the year then ended and notes to financial statements, a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the Consolidated state of affairs (financial position) of the Group as at 31st March, 2022, and its Consolidated profit (financial performance including Other Comprehensive Income), the Consolidated Changes in Equity and its Consolidated Cash Flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

3. Emphasis of Matter

We draw attention to Note 25 (j) (a) to the Consolidated Financial Statement which describe the following matter:

In terms of the Order dated 31st August, 2018 the Competition Commission of India (CCI) has on 2nd February, 2022, released its Order imposing penalty on the Holding Company concerning the breach of provisions of the Competition Act, 2002 during the year 2011-2012 and imposed a penalty of ₹ 622.09 Crores on the Company. The Company has filed an appeal against the CCI Order before the National Company Law Appellate Tribunal (NCLAT). Based on the Company's assessment on the outcome of the appeal, the Company is of the view that no provision is necessary in respect of this matter in the Consolidated Financial Statements in the reporting period.

Our opinion is not modified in respect of this matter.

4. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Sr. No.</th><th>Key Audit Matter</th><th>Our Response</th></tr>
<tr><td>1.</td><td>Defined Benefit Obligation
The valuation of the retirement benefit schemes in the Group is determined with reference to various actuarial assumptions including discount rate, future salary increases, rate of inflation, mortality rates and attrition rates. Due to the size of these schemes, small changes in these assumptions can have a material impact on the estimated defined benefit obligation.</td><td>We have examined the key controls over the process involving member data, formulation of assumptions and the financial reporting process in arriving at the provision for retirement benefits. We tested the controls for determining the actuarial assumptions and the approval of those assumptions by senior management. We found these key controls were designed, implemented and operated effectively, and therefore determined that we could place reliance on these key controls for the purposes of our audit.
We tested the employee data used in calculating the obligation and where material, we also considered the treatment of curtailments, settlements, past service costs, remeasurements, benefits paid, and any other amendments made to obligations during the year. From the evidence obtained, we found the data and assumptions used by management in the actuarial valuations for retirement benefit obligations to be appropriate.</td></tr>
<tr><td>2.</td><td>Warranty Provision
The Holding Company makes an estimated provision for assurance type warranties at the point of sale. This estimate is based on historical claims data.</td><td>We understood and tested the controls over the assumptions applied in arriving at the warranty provision, particularly vouching of relevant data elements with provision calculations; validation of formula used in the warranty spread sheet; management review control of the relevant internal and external factors impacting the provision.</td></tr>
<tr><td>3.</td><td>Litigation, Claims and Contingent Liabilities
(Refer Note 25 (j), to be read along with Emphasis of matter in Independent Auditor's Report.)
The Group is exposed to variety of different laws, regulations and interpretations thereof. Consequently, in the normal course of business, Provisions and Contingent Liabilities may arise from legal proceedings, constructive obligations and commercial claims.
Management applies significant judgement when considering whether and how much to provide for the potential exposure of each matter.
These estimates could change substantially over time as new facts emerge as each legal case or matters progresses.
Given the different views possible, basis the interpretations, complexity and the magnitude of potential exposures and the judgement necessary to estimate the amount of provision required or determine required disclosures.</td><td>We understood the processes, evaluated the design and implementation of controls and tested the operating effectiveness of the Group's controls over the recording and re-assessment of uncertain legal positions, claims and contingent liabilities.
We held discussions with senior management including the person responsible for legal and compliance to obtain an understanding of the factors considered by management in classification of the matter as 'probable', 'possible' and 'remote'.
Examined the Holding Company's legal expenses on sample basis and read the minutes of the board meetings in order to ensure completeness.
With respect to tax matters, involving our tax specialists, and discussing with the Holding Company's tax officers, their views and strategies on significant cases, as well as the related technical grounds relating to their conclusions based on applicable tax laws.
Assessing the decisions and rationale for provisions held or for decisions not to record provisions or make disclosures.
For those matters where management concluded that no provisions should be recorded, considering the adequacy and completeness of the disclosures.</td></tr>
</table>

5. **Information Other than the Consolidated Financial Statements and Auditor's Report thereon**

The Holding Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Holding Company's Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Report on Corporate Governance, Business Responsibility Report, but does not include the Consolidated Financial Statements and our auditor's report thereon.

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

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

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

6. **Management's Responsibility and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the Consolidated financial position, Consolidated financial performance, Consolidated Changes in Equity and Consolidated Cash Flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

7. **Auditor's Responsibilities for the audit of the Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated financial statements made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

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

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

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

8. Other Matters

We did not audit the financial statements / financial information of certain subsidiaries whose financial statements / financial information reflect total assets of ₹ 1203.43 Crores as at 31st March, 2022, total revenues of ₹ 2378.15 Crores, total net profit after tax of

₹ 21.89 Crores and net cash outflows/inflows of ₹ 1.83 Crores for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

9. Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**".

g) As required by section 197(16) of the Act, based on our audit, we report that the Holding Company and its subsidiary companies incorporated in India, has paid and provided for remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Consolidated Financial Statements disclose the impact of pending litigations on the Consolidated financial position of the Group – Refer Note 25 (j) to the Consolidated Financial Statements;

   ii. The Group has long-term contracts including derivative contracts for which there were no material foreseeable losses;

   iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding company and its subsidiary companies incorporated in India.

   iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that to the best of their knowledge and belief, no funds have been advanced or lend or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company and its subsidiary companies incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries”), with the understanding whether recorded in writing or otherwise that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of its subsidiaries, (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that to the best of their knowledge and belief, no funds have been received by the Company and its subsidiary companies incorporated in India, from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company or any of its subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures, we have considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that causes us to believe that the above representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement.

v. The Company and its subsidiary companies incorporated in India have complied with the provisions with respect to Section 123 of the Companies Act, 2013 in respect of final dividend proposed in the previous year, interim dividends declared and paid by the company during the year and the proposed final dividend for the year which is subject to the approval of members at the ensuing Annual General Meeting, as applicable.

vi. With respect to the matters specified in paragraphs 3(xxi) and 4 of the companies (Auditor’s Report) order,2020 (the order/CARO) issued by the central government in terms of section 143 (11) of the act, to be included in the Auditor’s Report, according to the information and explanation given to us, and based on CARO reports issued by us and the component auditor for the Holding company and its subsidiaries incorporated in India included in the consolidated financial statements of the company, to which the reporting under CARO is applicable., we report that there are no qualifications or adverse remarks in these CARO reports.

For M M NISSIM & CO. LLP
Chartered Accountants
Firm Reg. No. 107122W / W100672

N KASHINATH
Partner
Mem. No. 36490
UDIN: 22036490AIRTZZ2556
Place: Chennai
Date : 10th May, 2022

For MAHESH, VIRENDER & SRIRAM
Chartered Accountants
Firm Reg. No. 001939S

B R MAHESH
Partner
Mem. No. 18628
UDIN: 22018628AIRTLZ8244
Place : Hyderabad
Date : 10th May, 2022

"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MRF LIMITED.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. Opinion

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to Financial Statements of MRF LIMITED ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date. In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to Financial Statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

2. Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal financial control with reference to financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note 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 respective 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 reliable financial information, as required under the Act.

3. Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to Financial Statements of the Holding Company and its subsidiary companies which are incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements includes obtaining an understanding of such internal financial controls, 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 auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of a subsidiary company incorporated in India, in terms of their report referred to in other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company and its subsidiary companies which are incorporated in India.

4. **Meaning of Internal Financial Controls with reference to Financial Statements**

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

5. **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

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

6. **Other MATTERS**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Financial Statements in so far as it relates to subsidiary companies, incorporated in India, is based on the report of the auditors.

For M M NISSIM & CO. LLP	For MAHESH, VIRENDER & SRIRAM
Chartered Accountants	Chartered Accountants
Firm Reg. No. 107122W / W100672	Firm Reg. No. 001939S
N KASHINATH	B R MAHESH
Partner	Partner
Mem. No. 36490	Mem. No. 18628
UDIN: 22036490AIRTZZ2556	UDIN: 22018628AIRTLZ8244
Place: Chennai	Place : Hyderabad
Date : 10th May, 2022	Date : 10th May, 2022

MRF LIMITED, CHENNAI

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2022

(₹ Crores)

	Note	As at 31.03.2022	As at 31.03.2021
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2 (a)	9500.59	9416.42
Capital Work-in-Progress	2 (b)	1233.07	1002.23
Other Intangible Assets	2 (c)	21.23	24.33
Financial Assets:			
- Investments	3	1135.02	1129.77
- Loans	4	0.95	2.70
- Other financial assets	5	151.44	94.48
Non Current Tax Asset (Net)		241.77	256.60
Other non-current assets	6	587.72	292.53
Current Assets			
Inventories	7	4129.67	2938.81
Financial Assets:			
- Investments	3	2521.44	4744.25
- Trade Receivables	8	2332.68	2145.96
- Cash and Cash Equivalents	9	178.69	166.85
- Bank Balances other than Cash and Cash Equivalents	10	1.74	2.54
- Loans	4	3.18	6.77
- Other financial assets	5	767.16	61.15
Other Current Assets	6	253.39	296.47
TOTAL ASSETS		23059.74	22581.86
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	SOCE	4.24	4.24
Other Equity	SOCE	14027.51	13409.43
Non Controlling Interest		0.15	0.14
Total Equity		14031.90	13413.81
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities:			
- Borrowings	11	817.21	811.76
- Lease Liability		350.87	312.63
- Other Financial Liabilities	16	106.83	-
Provisions	12	218.91	211.55
Deferred Tax Liabilities (Net)	13	395.49	380.24
Other non-current liabilities	14	181.80	184.22
Current Liabilities			
Financial Liabilities:			
- Borrowings	11	2000.79	1208.85
- Lease Liability		60.08	54.99
- Trade Payables			
(A) total outstanding dues of micro enterprises and small enterprises;	15	58.26	54.21
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	15	1998.52	3251.93
- Other Financial Liabilities	16	403.05	449.14
Other Current Liabilities	14	2251.43	2045.04
Provisions	12	180.78	199.73
Current Tax Liabilities (Net)		3.82	3.76
Total Liabilities		9027.84	9168.05
TOTAL EQUITY AND LIABILITIES		23059.74	22581.86
Significant Accounting Policies and key accounting estimates and Judgement	1		

Accompanying Notes are an integral part of these Financial Statements.
This is the Consolidated Balance Sheet referred to in our report of even date.

For M M NISSIM & CO LLP
Chartered Accountants
Firm Reg. No. 107122W / W100672

For MAHESH, VIRENDER & SRIRAM
Chartered Accountants
Firm Reg. No. 001939S

N. KASHINATH
Partner
Mem. No. 036490
Chennai
Dated 10th May, 2022

B R MAHESH
Partner
Mem. No. 18628
Hyderabad

MADHU P NAINAN
Vice President Finance

S DHANVANTH KUMAR
Company Secretary
Chennai

JACOB KURIAN
Director
DIN: 00860095

V SRIDHAR
Director
DIN: 00020276

K M MAMMEN
Chairman & Managing Director
DIN: 00020202

MRF LIMITED, CHENNAI

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ Crores)

	Note	Year ended 31.03.2022	Year ended 31.03.2021
INCOME			
Revenue from Operations	17	19316.72	16163.19
Other Income	18	316.99	209.94
TOTAL INCOME		19633.71	16373.13
EXPENSES			
Cost of materials consumed	19	13419.57	8952.10
Purchases of Stock-in-Trade		17.32	16.15
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	20	(856.15)	354.25
Employee Benefits expense	21	1501.95	1415.03
Finance Costs	22	253.80	274.67
Depreciation and Amortisation expense	2 (a (1, 2)) and (c)	1205.05	1140.77
Other Expenses	23	3184.24	2483.32
TOTAL EXPENSES		18725.78	14636.29
PROFIT BEFORE TAX		907.93	1736.84
TAX EXPENSE			
Current Tax		228.38	497.57
Deferred Tax		10.31	(37.80)
TOTAL TAX EXPENSE		238.69	459.77
PROFIT FOR THE YEAR		669.24	1277.07
NON-CONTROLLING INTEREST - ₹ 53,631 (Previous year - ₹ 55,805)		(0.01)	(0.01)
OTHER COMPREHENSIVE INCOME (OCI)			
Items that will not be reclassified to Profit or Loss			
Remeasurements of Defined benefit plans		13.97	(20.30)
Income Tax relating to items that will not be reclassified to Profit or Loss		(3.51)	5.11
Items that may be reclassified to Profit or Loss			
Exchange differences in translating the financial statements of foreign operations		(2.16)	(4.00)
Fair value of cash flow hedges through other comprehensive income		2.25	(13.05)
Fair value of debt instruments through other comprehensive income		3.28	(9.01)
Income tax relating to items that may be reclassified to Profit or Loss		(1.39)	5.56
TOTAL OTHER COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR, NET OF TAX		12.44	(35.69)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		681.67	1241.37
EARNINGS PER EQUITY SHARE	25 (b)		
Basic		1577.97	3011.14
Diluted		1577.97	3011.14
Significant Accounting Policies and key accounting estimates and Judgement	1		

Accompanying Notes are an integral part of these Financial Statements.
This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For M M NISSIM & CO LLP
Chartered Accountants
Firm Reg. No. 107122W / W100672

For MAHESH, VIRENDER & SRIRAM
Chartered Accountants
Firm Reg. No. 001939S

N. KASHINATH
Partner
Mem. No. 036490
Chennai
Dated 10th May, 2022

B R MAHESH
Partner
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MADHU P NAINAN
Vice President Finance

S DHANVANTH KUMAR
Company Secretary
Chennai

JACOB KURIAN
Director
DIN: 00860095

V SRIDHAR
Director
DIN: 00020276

K M MAMMEN
Chairman & Managing Director
DIN: 00020202

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SOCE) FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ Crores)

EQUITY SHARE CAPITAL	As at 31.03.2022 Number	As at 31.03.2021 Number	As at 31.03.2022 Amount	As at 31.03.2021 Amount
Authorised Share Capital	9000000	9000000	9.00	9.00
Issued Share Capital (Excludes 71 bonus shares not issued and not allotted on non-payment of call monies)	4241143	4241143	4.24	4.24
Subscribed Share Capital	4241143	4241143	4.24	4.24
Fully Paid-up Share Capital	4241143	4241143	4.24	4.24
Balance at the beginning of the reporting year	4241143	4241143	4.24	4.24
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the reporting year	4241143	4241143	4.24	4.24
Changes in Equity Share Capital during the reporting year:	-		-	-
Balance at the end of the reporting year	4241143	4241143	4.24	4.24

Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital

The Holding Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividends proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Holding Company after distribution of all preferential amounts, in proportion to their shareholding.

The Holding Company has declared two interim dividends aggregating to ₹ 2.54 Crores (Previous year ₹ 2.54 Crores) which has already been distributed during the Financial Year 2021-22.

Shares in the Company held by each shareholder holding more than five percent shares	As at 31.03.2022		As at 31.03.2021	
	No.	%	No.	%
Comprehensive Investment and Finance Company Private Limited	441834	10.42%	440719	10.39%
MOWI Foundation	507984	11.98%	507984	11.98%

(₹ Crores)

OTHER EQUITY	Reserves and Surplus						Other Comprehensive Income			TOTAL
	Securities Premium	Capital Reserve	General Reserve	Capital Redemption Reserve	Remeasurements of Defined Benefit Plans	Retained Earnings	Cash Flow Hedges through OCI	Debt Instruments through OCI	Foreign Currency Translation Reserve	
Balance at the beginning of the comparative reporting year - 1st April 2020	**9.42**	**0.05**	**12232.24**	**0.44**	**(56.95)**	**-**	**11.35**	**-**	**13.92**	**12210.47**
Changes in Accounting Policy or Correction of Prior Period Errors	-	-	-	-	-	-	-	-	-	-
Restated balance as at 1st April 2020	9.42	0.05	12232.24	0.44	(56.95)	-	11.35	-	13.92	12210.47
Profit for the Comparative Year ending 31st March 2021	-	-	-	-	-	1277.06	-	-	-	1277.06
Other Comprehensive Income for the Comparative Year ending 31st March 2021*	-	-	-	-	(15.19)	-	(9.76)	(6.74)	(4.00)	(35.69)
Total Comprehensive Income for the Comparative Year	**-**	**-**	**-**	**-**	**(15.19)**	**1277.06**	**(9.76)**	**(6.74)**	**(4.00)**	**1241.37**
Transactions with owners in their capacity as owners:										
Dividends & Dividend Distribution Tax;										
- Interim Dividends (Rs 6 per share)	-	-	-	-	-	(2.54)	-	-	-	(2.54)
- Final Dividend (Rs.94 per share)	-	-	-	-	-	(39.87)	-	-	-	(39.87)
- Dividend Distribution Tax	-	-	-	-	-	-	-	-	-	-
Add/(Less) Adjustments during the year					-	-	-	-	-	-
Transfer to General Reserve	-	-	1234.65	-	-	(1234.65)	-	-	-	-
Balance at the beginning of the reporting year	**9.42**	**0.05**	**13466.89**	**0.44**	**(72.14)**	**-**	**1.59**	**(6.74)**	**9.92**	**13409.43**
Changes in Accounting Policy or Correction of Prior Period Errors	-	-	-	-	-	-	-	-	-	-
Restated balance as at 1st April 2021	9.42	0.05	13466.89	0.44	(72.14)	-	1.59	(6.74)	9.92	13409.43
Profit for the Current Reporting Year ending 31st March 2022	-	-	-	-	-	669.23	-	-	-	669.23
Other Comprehensive (Loss) / Income*	-	-	-	-	10.46	-	1.69	2.45	(2.16)	12.44
Total Comprehensive Income attributable to the Owners of the Company for the Reporting Year	**-**	**-**	**-**	**-**	**10.46**	**669.23**	**1.69**	**2.45**	**(2.16)**	**681.67**

(₹ Crores)

OTHER EQUITY (Contd.)	Reserves and Surplus						Other Comprehensive Income			TOTAL
	Securities Premium	Capital Reserve	General Reserve	Capital Redemption Reserve	Remeasurements of Defined Benefit Plans	Retained Earnings	Cash Flow Hedges through OCI	Debt Instruments through OCI	Foreign Currency Translation Reserve	
Transactions with owners in their capacity as owners:										
Dividends & Dividend Distribution Tax;										
- Interim Dividends (₹ 6 per share)	-	-	-	-	-	(2.54)	-	-	-	(2.54)
- Final Dividend and Special Dividend (₹144 per share)	-	-	-	-	-	(61.05)	-	-	-	(61.05)
Add/(Less) Adjustments during the year	-	-	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	605.64	-	-	(605.64)	-	-	-	-
Balance at the end of the reporting year ending 31st March 2022	**9.42**	**0.05**	**14072.53**	**0.44**	**(61.68)**	**-**	**3.28**	**(4.29)**	**7.76**	**14027.51**

* Gain of ₹ 10.46 Crores and Loss of ₹ 15.19 Crores on re-measurement of defined benefit plans (net of tax) is recognised as part of Reserves and Surplus for the year ended 31st March 2022 and 31st March 2021, respectively.

Nature and Purpose of each component of equity	Nature and Purpose
Securities Premium	Amounts received in excess of par value on issue of shares is classified as Securities Premium
Capital Reserve	Capital reserve was created on purchase of shares by the parent company.
General Reserve	General Reserve represents accumulated profits and is created by transfer of profits from Retained Earnings and it is not an item of Other Comprehensive Income and the same shall not be subsequently reclassified to Statement of Profit and Loss
Capital Redemption Reserve	Capital Redemption Reserve represents statutory reserve created upon buyback of equity shares in the earlier years.
Retained Earnings	Retained earnings are the Profits that the group has earned till date, less any transfer to General reserve and Dividend.
Cash Flow Hedges	Gains / Losses on Effective portion of cashflow hedges are initially recognized in Other Comprehensive Income as per IND AS 109. These gains or losses are reclassified to the Statement of Profit or Loss when the forecasted transaction affects earnings,except for hedge transactions resulting in recognition of non financial assets which are included in the carrying amount of the asset ("Basis Adjustments")
Debt Instruments	The fair value change of the debt instruments measured at fair value through Other Comprehensive Income is recognised in Debt instruments through Other Comprehensive Income. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the Statement of Profit and Loss.
Remeasurements of Defined Benefit Plans	Gains / Losses arising on Remeasurements of Defined Benefit Plans are recognised in the Other Comprehensive Income as per IND AS-19 and shall not be reclassified to the Statement of Profit or Loss in the subsequent years.
Foreign Currency Translation Reserve	Exchange differences relating to the transalation of the results and net assets of the groups foreign operations from their functional currencies to the Group's presentation currency, i.e, Indian Rupees.

This is the Consolidated Statement of Equity(SOCE) referred to in our report of even date.

For M M NISSIM & CO LLP
Chartered Accountants
Firm Reg. No. 107122W / W100672

For MAHESH, VIRENDER & SRIRAM
Chartered Accountants
Firm Reg. No. 001939S

N. KASHINATH
Partner
Mem. No. 036490
Chennai
Dated 10th May, 2022

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Company Secretary
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Director
DIN: 00860095

V SRIDHAR
Director
DIN: 00020276

K M MAMMEN
Chairman & Managing Director
DIN: 00020202

Disclosure of shareholding of Promoters:

Sl. No.	Promoter Name	As at 31st March, 2022		% Change during the year as compared to 31st March, 2021	As at 31st March, 2021		% Change during the year as compared to 31st March, 2020
		No. of Shares	% of total shares		No. of Shares	% of total shares	
1	ACCAMMA KURUVILLA	2338	0.06	(0.00)	2348	0.06	-
2	ADARSH MAMMEN VERGHESE	2000	0.05	-	2000	0.05	0.05
3	ADITH POULOSE MAMMEN	1635	0.04	-	1635	0.04	-
4	ADITI MAMMEN GUPTA	4744	0.11	-	4744	0.11	-
5	AMBIKA MAMMEN	2489	0.06	-	2489	0.06	-
6	AMIT MATHEW	4520	0.11	-	4520	0.11	-
7	AMMU MATHEW	2650	0.06	-	2650	0.06	-
8	ANITA MANI	1334	0.03	(0.00)	1344	0.03	-
9	ANNA PHILIP	350	0.01	-	350	0.01	-
10	ANNA RAPHAEL	258	0.01	-	258	0.01	-
11	ANNA THOMAS CHACKO	1291	0.03	-	1291	0.03	-
12	ANNAMMA MAMMEN	11265	0.27	-	11265	0.27	-
13	ANNAMMA PHILIP	9500	0.22	0.11	4500	0.11	(0.03)
14	ANNU KURIEN	12490	0.29	(0.01)	12640	0.30	-
15	ARJUN JOSEPH	1850	0.04	-	1850	0.04	(0.01)
16	ARUN MAMMEN	27560	0.65	-	27560	0.65	-
17	ASHOK KURIYAN	1878	0.04	-	1878	0.04	-
18	ASHWATHI JACOB	151	0.00	-	151	0.00	-
19	ASWATHY VARGHESE	9450	0.22	-	9450	0.22	-
20	BADRA ESTATES AND INDUSTRIES LIMITED	6530	0.15	-	6530	0.15	(0.02)
21	BEEBI MAMMEN	20237	0.48	-	20237	0.48	-
22	BINA MATHEW	1568	0.04	-	1568	0.04	-
23	BRAGA INDUSTRIES LLP	29457	0.69	0.11	24541	0.58	0.03
24	CHALAKUZHY POULOSE MAMMEN	530	0.01	-	530	0.01	-
25	CIBI MAMMEN	500	0.01	-	500	0.01	-
26	COMPREHENSIVE INVESTMENT AND FINANCE COMPANY PVT. LTD.	441834	10.42	0.03	440719	10.39	-
27	DEVON MACHINES PVT LTD	1000	0.02	-	1000	0.02	-
28	ELA KATTUKARAN	-	-	-	-	-	(0.14)
29	ELIZABETH JACOB MATTHAI	4000	0.09	-	4000	0.09	-
30	GEETHA ZACHARIAH	6113	0.14	-	6113	0.14	-
31	GEETHA MAMMEN MAPPILLAI	250	0.01	-	250	0.01	-
32	GEORGE MAMMEN	808	0.02	-	808	0.02	(0.01)
33	HANNAH KURIAN	600	0.01	-	600	0.01	-
34	HARSHA MATHEW	1250	0.03	-	1250	0.03	-
35	JACOB MAMMEN	35120	0.83	-	35120	0.83	0.00
36	JACOB MATHEW	20977	0.49	-	20977	0.49	-

Sl. No.	Promoter Name	As at 31st March, 2022		% Change during the year as compared to 31st March, 2021	As at 31st March, 2021		% Change during the year as compared to 31st March, 2020
		No. of Shares	% of total shares		No. of Shares	% of total shares	
37	JAYANT MAMMEN MATHEW	2190	0.05	-	2190	0.05	-
38	JCEE MANUFACTURING AND SERVICES PVT LTD	12415	0.29	0.03	10965	0.26	0.01
39	JOSEPH KANIANTHRA PHILIPS	1000	0.02	-	1000	0.02	-
40	K C MAMMEN	9043	0.21	-	9043	0.21	-
41	K K MAMMEN MAPPILLAI	7399	0.17	-	7399	0.17	(0.00)
42	K M MAMMEN	16048	0.38	-	16048	0.38	-
43	K S JOSEPH	483	0.01	-	483	0.01	(0.01)
44	K Z KURIYAN	650	0.02	-	650	0.02	-
45	KANDATHIL MATHEW JACOB	-	-	(0.00)	28	0.00	-
46	KARUN PHILIP	4000	0.09	-	4000	0.09	(0.02)
47	KAVITA PHILIP	-	-	(0.12)	5000	0.12	-
48	KAVYA VERGHESE	2000	0.05	-	2000	0.05	0.05
49	KIRAN JOSEPH	1850	0.04	-	1850	0.04	(0.01)
50	KIRAN KATTUKARAN	-	-	-	-	-	(0.14)
51	KIRAN KURIYAN	403	0.01	-	403	0.01	-
52	KMMMF PVT. TRUST	36987	0.87	-	36987	0.87	-
53	LATHA MATTHEW	5723	0.13	-	5723	0.13	-
54	M A MATHEW	6595	0.16	-	6595	0.16	-
55	M M HOUSING PRIVATE LIMITED	179	0.00	-	179	0.00	-
56	M.M.PUBLICATIONS LIMITED	300	0.01	-	300	0.01	-
57	MALINI MATHEW	1800	0.04	-	1800	0.04	-
58	MAMMEN EAPEN	4128	0.10	-	4128	0.10	-
59	MAMMEN MAPPILLAI INVESTMENTS LTD	1209	0.03	-	1209	0.03	-
60	MAMMEN MATHEW	11015	0.26	-	11015	0.26	-
61	MAMMEN PHILIP	7880	0.19	(0.02)	8700	0.21	0.02
62	MAMY PHILIP	7350	0.17	-	7350	0.17	-
63	MARIA MAMMEN	84	0.00	-	84	0.00	-
64	MARIAM MAMMEN MATHEW	100	0.00	-	100	0.00	-
65	MARIEN MATHEW	160	0.00	-	160	0.00	-
66	MARIKA MAMMEN APPIAH	100	0.00	-	100	0.00	-
67	MARY KURIEN	10839	0.26	-	10839	0.26	-
68	MEERA NINAN	6167	0.15	-	6167	0.15	-
69	MEERA PHILIP	33627	0.79	-	33627	0.79	-
70	MEERA MAMMEN	15840	0.37	-	15840	0.37	-
71	MICAH MAMMEN PARAMBI	100	0.00	-	100	0.00	-
72	NISHA SARAH MATTHEW	164	0.00	-	164	0.00	-
73	NITHYA SUSAN MATTHEW	169	0.00	-	169	0.00	-
74	OMANA MAMMEN	4703	0.11	-	4703	0.11	-
75	PENINSULAR INVESTMENTS PRIVATE LIMITED	124367	2.93	0.00	124087	2.93	-

Sl. No.	Promoter Name	As at 31st March, 2022 No. of Shares	% of total shares	% Change during the year as compared to 31st March, 2021	As at 31st March, 2021 No. of Shares	% of total shares	% Change during the year as compared to 31st March, 2020
76	PETER K PHILIPS	2341	0.06	-	2341	0.06	-
77	PETER PHILIP	2352	0.06	-	2352	0.06	-
78	PHILIP MATHEW	11762	0.28	-	11762	0.28	-
79	PREMA MAMMEN MATHEW	10881	0.26	-	10881	0.26	-
80	PREMINDA JACOB	98	0.00	-	98	0.00	-
81	RACHEL KATTUKARAN	17247	0.41	-	17247	0.41	0.28
82	RADHIKA MARIA MAMMEN	600	0.01	-	600	0.01	-
83	RAHUL MAMMEN MAPPILLAI	4538	0.11	-	4538	0.11	-
84	RAMANI JOSEPH	2509	0.06	-	2509	0.06	-
85	RANJEET JACOB	28	0.00	0.00	-	-	-
86	REENU ZACHARIAH	517	0.01	-	517	0.01	-
87	RIYAD MATHEW	4520	0.11	-	4520	0.11	-
88	ROHAN MATHEW MAMMEN	1635	0.04	-	1635	0.04	-
89	ROSHIN VARGHESE	6679	0.16	-	6679	0.16	-
90	ROY MAMMEN	12894	0.30	-	12894	0.30	-
91	SAMIR THARIYAN MAPPILLAI	4470	0.11	-	4470	0.11	-
92	SARA KURIYAN	1880	0.04	-	1880	0.04	-
93	SARAH CHERIAN TRUST	4950	0.12	-	4950	0.12	-
94	SARAH THOMAS	12608	0.30	(0.00)	12664	0.30	-
95	SARASU JACOB	14114	0.33	(0.00)	14204	0.33	(0.00)
96	SHANTA MAMMEN	4938	0.12	-	4938	0.12	0.01
97	SHILPA MAMMEN	4412	0.10	-	4412	0.10	-
98	SHIRIN MAMMEN	1450	0.03	-	1450	0.03	(0.10)
99	SHONA BHOJNAGARWALA	50	0.00	-	50	0.00	-
100	SHREYA JOSEPH	5120	0.12	-	5120	0.12	-
101	SOMA PHILIPS	-	-	(0.05)	2000	0.05	-
102	STABLE INVESTMENTS AND FINANCE COMPANY LTD	3964	0.09	-	3964	0.09	(0.01)
103	SUSAN ABRAHAM	68	0.00	-	68	0.00	(0.00)
104	SUSAN KURIAN	9137	0.22	-	9137	0.22	-
105	SUSY THOMAS	5278	0.12	-	5278	0.12	-
106	TARA JOSEPH	3150	0.07	-	3150	0.07	-
107	THANGAM MAMMEN	5981	0.14	-	5981	0.14	-
108	THE MALAYALA MANORAMA COMPANY LIMITED	6109	0.14	-	6109	0.14	-
109	USHA EAPEN GEORGE	1220	0.03	-	1220	0.03	(0.00)
110	VARUN MAMMEN	8706	0.21	-	8706	0.21	-
111	VIKRAM KURUVILLA	109	0.00	-	109	0.00	-
112	ZACHARIAH KURIYAN	3411	0.08	-	3411	0.08	-
Total		1185320			1180695		

Note: Figures in brackets represents reduction in percentage change as compared to previous period.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ Crores)

	Year ended 31.03.2022		Year ended 31.03.2021	
A. CASH FLOW FROM OPERATING ACTIVITIES				
NET PROFIT BEFORE TAX		907.93		1736.84
Adjustment for :				
Depreciation	1205.05		1140.77	
Unrealised Exchange (Gain) / Loss	(0.34)		6.13	
Provision for Impairment of Assets (other than Financial Assets)	7.10		-	
Impairment of Financial Assets	0.42		0.48	
Finance Cost	253.80		274.67	
Government Grant Accrued	(0.99)		(1.63)	
Interest Income	(100.49)		(127.33)	
Dividend Income	(0.06)		-	
Loss / (Gain) on Sale / Disposal of Property, Plant and Equipment	2.20		4.91	
Fair Value changes in Investments	(155.49)		(29.11)	
Fair Value changes in Financial Instruments	32.23		14.26	
Loss / (Gain) on Sale of Investments	(7.38)		(1.01)	
Bad debts written off (Net off Impairment reversal of ₹ 0.67 Crore)	0.21	1236.26	0.16	1282.30
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES		2144.19		3019.14
Trade receivables	(187.60)		35.11	
Other receivables	(102.97)		21.96	
Inventories - Finished Goods	(785.57)		447.83	
Inventories - Raw materials and Others	(405.29)		(481.46)	
Trade Payable				
- Supplier Finance	(983.40)		883.76	
- Import acceptance and Others (Change in Regulation)	(266.45)		724.51	
Provisions	2.38		47.73	
Other liabilities	220.14	(2508.76)	142.77	1822.21
CASH GENERATED FROM OPERATIONS		(364.57)		4841.35
Direct Taxes paid		(213.46)		(516.77)
NET CASH FROM OPERATING ACTIVITIES		(578.03)		4324.58

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022 (Contd.)

(₹ Crores)

		Year ended 31.03.2022		Year ended 31.03.2021	
B. CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of Property, Plant and Equipment		(1707.01)		(852.74)	
Proceeds from sale of Property, Plant and Equipment		2.37		1.15	
Purchase of Investments		(649.97)		(6218.07)	
Proceeds from sale of Investments		3033.02		1884.49	
Fixed Deposits others		(600.00)		-	
Fixed Deposits with Banks matured		(3.03)		2.76	
Loans (Financial assets) given		1.19		8.75	
Interest Income		88.38		87.44	
Dividend income		0.06		-	
NET CASH USED IN INVESTING ACTIVITIES			165.01		(5086.22)
C. CASH FLOW FROM FINANCING ACTIVITIES					
(Repayments) / Proceeds from Working Capital Facilities (Net)		785.94		184.44	
Proceeds from Term Loans		299.99		300.00	
Repayments of Term Loans		(86.00)		(180.92)	
Repayments of Debentures		(180.00)		(160.00)	
Government Grant Accrued		0.99		1.63	
Deferred payment Credit		(0.68)		(0.61)	
Payment of Lease Liability		(96.78)		(97.77)	
Interest paid		(236.10)		(254.04)	
Dividend		(63.60)		(42.41)	
NET CASH FROM FINANCING ACTIVITIES			423.76		(249.68)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			10.74		(1011.32)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	Refer Note 9		166.85		1178.52
Unrealised Gain / (Loss) on Foreign currency Cash & Cash equivalents			1.10		(0.35)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	Refer Note 9		178.69		166.85

Notes to Consolidated Cash Flow Statement:

1. The above Consolidated Cash Flow Statement has been prepared under the Indirect Method.
2. Reconciliation of Financing Liabilities (Refer Note 11)

This is the Consolidated Cash Flow statement referred to in our report of even date.

For M M NISSIM & CO LLP
Chartered Accountants
Firm Reg. No. 107122W / W100672

For MAHESH, VIRENDER & SRIRAM
Chartered Accountants
Firm Reg. No. 001939S

N. KASHINATH
Partner
Mem. No. 036490
Chennai
Dated 10th May, 2022

B R MAHESH
Partner
Mem. No. 18628
Hyderabad

MADHU P NAINAN
Vice President Finance

S DHANVANTH KUMAR
Company Secretary
Chennai

JACOB KURIAN
Director
DIN: 00860095

V SRIDHAR
Director
DIN: 00020276

K M MAMMEN
Chairman & Managing Director
DIN: 00020202

NOTE 1 – BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES UNDER IND AS

A) General Information

The Consolidated Financial Statements comprise Financial Statements of MRF Limited (the Holding Company) and its Subsidiaries (collectively, the Group) for the year ended 31st March 2022.

The Group, except for MRF Corp Ltd., a subsidiary company, is engaged interalia in the manufacture of Rubber Products such as Tyres, Tubes, Flaps, Tread Rubber and trading in rubber. MRF Corp Ltd., is engaged in the manufacture of specialty coatings.

B) Principles of Consolidation:

The Consolidated Financial Statements comprise of the Financial Statements of the Holding Company and the following Subsidiaries as on March 31st March, 2022:

Name	Country of incorporation	Proportion of ownership interest	Financial Statement as on	Accounting Period covered for consolidation
MRF Corp Ltd.	India	100%	March 31, 2022	1st April, 2021 – 31st March, 2022
MRF International Ltd.	India	94.66%	March 31, 2022	1st April, 2021 – 31st March, 2022
MRF Lanka Pvt. Ltd.	Sri Lanka	100%	March 31, 2022	1st April, 2021 – 31st March, 2022
MRF SG PTE LTD.	Singapore	100%	March 31, 2022	1st April, 2021 – 31st March, 2022

The Consolidated Financial Statements comprise the Financial Statements of the Holding Company and its Subsidiaries as at 31st March 2022. Control is achieved when the Holding Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Holding Company controls an investee if and only if the Holding Company has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Holding Company has less than a majority of the voting or similar rights of an investee, the Holding Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Holding Company's voting rights and potential voting rights
- The size of the Holding Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Holding Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a Subsidiary begins when the Holding Company obtains control over the Subsidiary and ceases when the Holding Company loses control of the Subsidiary. Assets, liabilities, income and expenses of a Subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Holding Company gains control until the date the Holding Company ceases to control the Subsidiary.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments, if material, are made to that group's Financial Statements in preparing the Consolidated Financial Statements to ensure conformity with the group's accounting policies.

The Financial Statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Holding Company, i.e., year ended on 31 March.

Consolidation procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Holding Company with those of its Subsidiaries.

b) Offset (eliminate) the carrying amount of the Holding Company's investment in each Subsidiary and the Holding Company's portion of equity of each Subsidiary.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and Property, Plant and Equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Holding Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the Financial Statements of Subsidiaries to bring their accounting policies in line with the Holding Company's accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Holding Company loses control over a Subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the Subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the Holding Company's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Holding Company had directly disposed of the related assets or liabilities.

C) Basis of preparation of Financial Statements

The principal accounting policies applied in the preparation of these Consolidated Financial Statements are set out below. These policies have been consistently applied to all the years presented.

i. Statement of Compliance

The Consolidated Financial Statements have been prepared in accordance with IND AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto.

ii. Basis of preparation and presentation

The Consolidated Financial Statements have been prepared on historical cost basis considering the applicable provisions of Companies Act, 2013, except for the following items that have been measured at fair value as required by relevant IND AS. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

a) Certain financial assets/liabilities measured at fair value (Refer Note 1 (D 20)) and

b) Any other item as specifically stated in the accounting policy.

The Consolidated Financial Statement are presented in INR and **all values are rounded off to Rupees Crores** unless otherwise stated.

The group reclassifies comparative amounts, unless impracticable and whenever the group changes the presentation or classification of items in its Financial Statements materially. No such material reclassification has been made during the year.

The Consolidated Financial Statements of the Group for the year ended 31st March, 2022 were authorised for issue in accordance with a resolution of the directors on 10th May, 2022.

iii. Major Sources of Estimation Uncertainty

In the application of accounting policy which are described in para (D) below, the management is required to make judgment, estimates and assumptions about the carrying amount of assets and liabilities, income and expenses, contingent liabilities and the accompanying disclosures that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and are prudent and reasonable. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future period.

The few critical estimations and judgments made in applying accounting policies are:

Property, Plant and Equipment:

Useful life of Property, Plant and Equipment and Intangible Assets are as specified in Schedule II to the Companies Act, 2013 and on certain assets based on technical advice which considered the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support. The Group reviews the useful life of Property, Plant and Equipment at the end of each reporting period. This reassessment may result in change in depreciation charge in future periods. (Refer Note 1 (D 1))

Impairment of Non-financial Assets:

For calculating the recoverable amount of non-financial assets, the Group is required to estimate the value-in-use of the asset or the Cash Generating Unit and the fair value less costs to disposal. For calculating value in use the Group is required to estimate the cash flows to be generated from using the asset. The fair value of an asset is estimated using a valuation technique where observable prices are not available. Further, the discount rate used in value in use calculations includes an estimate of risk assessment specific to the asset. (Refer Note 1 (D 4))

Impairment of Financial Assets:

The Group impairs financial assets other than those measured at fair value through profit or loss or designated at fair value through other comprehensive income on expected credit losses. The estimation of expected credit loss includes the estimation of probability of default (PD), loss given default (LGD) and the exposure at default (EAD). Estimation of probability of default apart from involving trend analysis of past delinquency rates include an estimation on forward-looking information relating to not only the counterparty but also relating to the industry and the economy as a whole. The probability of default is estimated for the entire life of the contract by estimating the cash flows that are likely to be received in default scenario. The lifetime PD is reduced to 12 months PD based on an assessment of past history of default cases in 12 months. Further, the loss given default is calculated based on an estimate of the value of the security recoverable as on the reporting date. The exposure at default is the amount outstanding at the balance sheet date. (Refer Note 1 (D 21(a))

Defined Benefit Plans:

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair Value Measurement of Financial Instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. (Refer Note 1 (D 20))

Income Taxes

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. (Refer Note 1 (D 17))

In assessing the realizability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group’s operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. (Refer Note 1 (D 6))

Allowance for credit losses on receivables:

The Group determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Group considered current and anticipated future economic conditions relating to industries the Group deals with and the countries where it operates. In calculating expected credit loss, the Group has also considered credit reports and other related credit information for its customers to estimate the probability of default in future.

D) Summary of Significant Accounting Policies:

1) Property, Plant and Equipment (PPE)

The Group has elected to continue with the carrying value of Property, Plant and Equipment (‘PPE’) recognised as of the transition date, measured as per the Previous GAAP and use that carrying value as its deemed cost of the PPE.

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for freehold land which is not depreciated. Cost includes purchase price after deducting trade discount / rebate, import duties, non-refundable taxes, cost of replacing the component parts, borrowing costs (Refer Note D15) and other costs that are directly attributable and necessary to bring the asset to its working condition in the manner intended by the management, and the initial estimates of the cost of dismantling /removing the item and restoring the site on which it is located.

Spare parts procured along with the Plant and Equipment or subsequently which has a useful life of more than 1 year and considering the concept of materiality evaluated by management are capitalised and added to the carrying amount of such items. The carrying amounts of items of PPE and spare parts that are replaced is derecognised when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as 'stores and spares' forming part of the inventory. If the cost of the replaced part is not available, the estimated cost of similar new parts is used as an indication of what the cost of the existing part was when the item was acquired.

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use or disposal. Any gain or loss arising on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss when asset is derecognised.

The depreciable amount of an asset is determined after deducting its residual value. Where the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, no depreciation charge is recognised till the asset's residual value decreases below the asset's carrying amount. Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the intended manner. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date when the asset is derecognised.

Description of the Asset	**Estimated Useful life (On Single shift working)**
Tangible (Owned Assets) :	
Building – Factory – Other than factory buildings	30 Years 60 Years
Plant and Equipment	5-21 Years
Moulds	6 Years
Furniture and Fixtures	5 Years
Computer Servers	5 Years
Computers	3 Years
Office Equipment	5 Years
Other Assets, viz., Electrical Fittings, Fire Fighting/Other Equipments and Canteen Utensils	10 Years
Renewable Energy Saving Device – Windmills	22 Years
Vehicles	5 Years
Aircraft	10 and 20 Years
Right of Use Assets (Leased Assets) :	
- Buildings-Other than factory buildings	1-21 Years
- Vehicles	2 Years
- Land – Leasehold	Primary period of lease
Intangible (Owned Assets):	
Software	5 Years

Depreciation on the Property, Plant and Equipment, is provided over the useful life of assets based on management estimates which is generally in line with the useful life indicated in Schedule II to the Companies Act, 2013. Depreciation on all assets except Renewable Energy Saving Devices is provided on straight line basis whereas depreciation on renewable energy saving devices is provided on reducing balance basis. Plant and Machinery, Moulds, Vehicles, Furniture and Fixtures and Computer Servers are depreciated based on management estimate of the useful life of the assets, and is after considering the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support.

Depreciation on property, plant and equipment added/ disposed off during the year is provided on pro rata basis with reference to the date of addition/disposal.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Further, the Group has identified and determined separate useful life for each major component of Property, Plant and Equipment, if they are materially different from that of the remaining assets, for providing depreciation in compliance with Schedule II of the Companies Act, 2013.

In respect of Property, Plant & Equipment of MRF Lanka Pvt. Ltd. and MRF SG PTE Ltd. depreciation is provided on straight line method based on management estimate of useful life of assets based on internal technical evaluation, except for certain Property, Plant and Equipment namely Building, Plant and Machinery, Moulds and Equipments of MRF Lanka Pvt. Ltd., which are depreciated on Written Down Value method. The proportion of depreciation of the Subsidiaries to the total depreciation of the group is not material.

2) Intangible Assets:

Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Software (not being an integral part of the related hardware) acquired for internal use are treated as intangible assets.

An item of Intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any profit or loss arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated statement of profit and loss when the asset is derecognised.

Intangible Assets are amortised over 5 years on straight-line method over the estimated useful economic life of the assets.

The group undertakes Research and Development activities for development of new and improved products. All expenditure incurred during Research and Development are analysed into research phase and development phase. The group recognises all expenditure incurred during the research phase in the profit or loss whereas the expenditure incurred in development phase are presented as Intangible Assets under Development till the time they are available for use in the manner intended at which moment they are treated as Intangible Assets and amortised over their estimated useful life.

3) Assets held for Sale:

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the non-current asset is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale. Non-current assets held for sale are measured at the lower of carrying amount and fair value less cost to sell. Non-current assets that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the non-current asset was classified as held for sale adjusted for any depreciation/amortization and its recoverable amount at the date when it no longer meets the "Held for Sale" criteria.

4) Impairment of tangible (PPE) and intangible assets:

At the end of each reporting period, the Group reviews the carrying amounts of its PPE and other intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Consolidated statement of profit and loss.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or CGU in prior years. A reversal of an impairment loss is recognised in the Consolidated statement of profit and loss.

5) <u>Inventories:</u>

Inventories consisting of stores and spares, raw materials, work in progress, stock in trade and finished goods are valued at lower of cost and net realisable value. However, materials held for use in production of inventories are not written down below cost, if the finished products are expected to be sold at or above cost. The cost is computed on FIFO basis except for stores and spares which are on daily moving Weighted Average Cost basis and is net of input tax credits under various tax laws.

Goods and materials in transit include materials, duties and taxes (other than those subsequently recoverable from tax authorities) labour cost and other related overheads incurred in bringing the inventories to their present location and condition.

Traded goods includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sale.

Inventory obsolescence is based on assessment of the future uses. Obsolete and slow-moving items are subjected to continuous technical monitoring and are valued at lower of cost and estimated net realisable value. When Inventories are sold, the carrying amount of those items are recognized as expenses in the period in which the related revenue is recognized.

6) <u>Leases:</u>

The Group has applied Ind AS 116 using the modified retrospective approach.

The Group as a lessee

The Group's lease asset classes primarily consist of leases for land, buildings and vehicles. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

7) <u>Government Grants:</u>

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the Consolidated Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset or by deducting the grant in arriving at the carrying amount of the assets. Where the assets have been fully depreciated with no future related cost, the grant is recognised in profit or loss.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities in respect of loans/ assistance received subsequent to the date of transition.

8) <u>Provisions, Contingent Liabilities and Contingent Assets:</u>

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it. Unavoidable cost are determined based on cost that are directly attributable to having and executing the contracts.

Contingent liabilities are disclosed on the basis of judgment of management / independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Provisions for warranty-related costs are recognized when the product is sold to the customer. Initial recognition is based on scientific basis as per past trends of such claims. The initial estimate of warranty-related costs is revised annually.

Contingent Assets are not recognized, however, disclosed in financial statement when inflow of economic benefits is probable.

9) <u>Foreign Currency Transactions:</u>

The Financial Statements of Group are presented in INR, which is also the functional currency. In preparing the Financial Statements, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of transaction.

On consolidation, the assets and liabilities of foreign operations are translated into INR at the exchange rate prevailing at the reporting date and their statement of profit and loss are translated at the exchange rate prevailing on the date of transactions. For practical reasons, the group uses an average rate to translate income and expense items, if they average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on the translation for consolidation are recognised in consolidated statement of OCI. On disposal of foreign operation, the relevant component of OCI is reclassified to consolidated statement of profit and loss.

10) <u>Share Capital and Securities Premium:</u>

Ordinary shares are classified as equity, incremental costs directly attributable to the issue of new shares are shown in equity as a deduction net of tax from the proceeds. Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as securities premium.

11) <u>Dividend Distribution to Equity Shareholders:</u>

The Group recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the group. A distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in other equity along with any tax thereon.

12) <u>Cash Flows and Cash and Cash Equivalents:</u>

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant IND AS. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cheques and drafts on hand, deposits held with Banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and book overdrafts. However, Book overdrafts are to be shown within borrowings in current liabilities in the balance sheet for the purpose of presentation.

13) **Revenue Recognition:**

The Group derives revenues primarily from sale of goods comprising of Automobile Tyres, Tubes, Flaps, Tread Rubber, Speciality Coatings and trading in rubber.

The following is a summary of significant accounting policies related to revenue recognition:

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer.

Revenue is measured based on the transaction price, which is the consideration, adjusted for turnover/product/prompt payment discounts to customer as specified in the contract with the customers. When the level of discount varies with increase in levels of revenue transactions, the Group recognises the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognised until the payment is probable and the amount can be estimated reliably. The Group recognises changes in the estimated amounts of obligations for discounts in the period in which the change occurs. Revenue also excludes taxes collected from customers.

Revenue in excess of invoicing are classified as contract assets while invoicing in excess of revenues are classified as contract liabilities.

The Holding Company provides warranties for general repairs and does not provide extended warranties or maintenance services in its contracts with customers and are assurance type warranties. Claims preferred during the year against such obligations are netted off from revenue, consistent with its current practice. Provision for warranties is made for probable future claims on sales effected and are estimated based on previous claim experience and are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets, consistent with its current practice.

Use of significant judgments in revenue recognition.

- Judgment is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of consideration or variable consideration with elements such as turnover/product/prompt payment discounts. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.
- The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer.

14) **Other Income:**

Dividend Income

Dividend Income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

Interest Income

Interest Income on financial assets measured at amortised cost is recognised on a time-proportion basis using the effective interest method.

15) **Borrowing Costs**

Borrowing cost includes interest, commitment charges, brokerage, underwriting costs, discounts / premiums, financing charges, exchange difference to the extent they are regarded as interest costs and all ancillary / incidental costs incurred in connection with the arrangement of borrowing.

Borrowing costs which are directly attributable to acquisition/ construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized as a part of cost pertaining to those assets. All other borrowing costs are recognised as expense in the period in which they are incurred.

The capitalisation on borrowing costs commences when the group incurs expenditure for the asset, incurs borrowing cost and undertakes activities that are necessary to prepare the asset for its intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development of a qualifying asset is suspended. The capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

16) **Employee Benefits:**

a) **Short term Employee Benefits:**

All employee benefits payable wholly within twelve months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., are recognized during the period in which the employee renders related services and are measured at undiscounted amount expected to be paid when the liabilities are settled.

b) **Long Term Employee Benefits:**

The cost of providing long term employee benefit such as earned leave is measured as the present value of expected future payments to be made in respect of services provided by employees upto the end of the reporting period. The expected costs of the benefit is accrued over the period of employment using the same methodology as used for defined benefits post employment plans. Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions are charged or credited to the Consolidated statement of profit and loss in which they arise except those included in cost of assets as permitted. The benefit is valued annually by independent actuary.

c) **Post Employment Benefits:**

The Group provides the following post employment benefits:

i) Defined benefit plans such as gratuity, trust managed Provident Fund and post-retirement medical benefit (PRMB); and

ii) Defined contributions plans such as provident fund, pension fund and superannuation fund.

d) **Defined Benefits Plans:**

The cost of providing benefits on account of gratuity and post retirement medical benefits / obligations are determined using the projected unit credit method on the basis of actuarial valuation made at the end of each balance sheet date, which recognises each period of service as given rise to additional unit of employees benefit entitlement and measuring each unit separately to build up the final obligation. The yearly expenses on account of these benefits are provided in the books of accounts.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Consolidated statement of profit and loss except those included in cost of assets as permitted.

Re-measurements comprising of actuarial gains and losses arising from experience adjustments and change in actuarial assumptions, the effect of change in assets ceiling (if applicable) and the return on plan asset (excluding net interest as defined above) are recognized in other comprehensive income (OCI) except those included in cost of assets as permitted in the period in which they occur. Re-measurements are not reclassified to the Consolidated statement of profit and loss in subsequent periods.

Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) is recognized in the Consolidated statement of profit and loss except those included in cost of assets as permitted in the period in which they occur.

Eligible employees of the Group receive benefits from a provident fund trust which is a defined benefit plan. Both the eligible employee and the Group make monthly contributions to the provident fund plan equal to a specified percentage of the covered employees salary. The Group contributes a part of the contribution to the provident fund trusts. The trusts invests in specific designated instruments as permitted by Indian Law. The remaining portion is contributed to the Government Administered Pension Fund. The rate at which the annual interest is payable to the beneficiaries by the trusts is administered by the Government. The Group has obligation to make good the shortfall, if any, between the return from investments of the Trusts and the notified interest rate. However, as at the year end no shortfall remains unprovided for.

e) Defined Contribution Plans

Payments to defined contribution retirement benefit plans, viz., Provident Fund for certain eligible employees, Pension Fund and Superannuation benefits are recognized as an expense when employees have rendered the service entitling them to the contribution.

17) Taxes on Income:

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognized in the Consolidated statement of profit and loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

a) Current Tax:

Current tax includes provision for Income Tax computed under normal provision of Income Tax Act. Tax on Income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/ appeals.

b) Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The deferred tax assets (Net) and deferred tax liabilities (Net) are determined separately for the parent and each subsidiary Group, as per their applicable laws and then aggregated.

18) Earnings per Share:

Basic earnings per share is calculated by dividing the profit from continuing operations and total profit, both attributable to equity shareholders of the Holding Company by the weighted average number of equity shares outstanding during the period.

19) Current versus non-current classification:

The Group presents assets and liabilities in the Balance Sheet based on current/non-current classification.

a) An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

b) A liability is current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

c) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

20) Fair value measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these Financial Statements is determined on such basis except for Inventories, Leases and value in use of non-financial assets. Normally at initial recognition, the transaction price is the best evidence of fair value.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Financial assets and financial liabilities that are recognized at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

21) Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Group recognizes a financial asset or financial liability in its balance sheet only when the entity becomes party to the contractual provisions of the instrument.

a) Financial Assets

A financial asset inter-alia includes any asset that is cash, equity instrument of another entity or contractual rights to receive cash or another financial asset or to exchange financial asset or financial liability under condition that are potentially favourable to the Group.

Financial assets other than investment in Subsidiaries

Financial assets of the Group comprise trade receivable, cash and cash equivalents, Bank balances, Investments in equity shares of companies other than in Subsidiaries, investment in units of Mutual Funds, loans/advances to employee / related parties / others, security deposit, claims recoverable etc.

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Consolidated statement of profit and loss. Where transaction price is not the measure of fair value and fair value is determined using a valuation method that uses data from observable market, the difference between transaction price and fair value is recognized in Consolidated statement of profit and loss on the date of recognition if the fair value pertains to Level 1 or Level 2 of the fair value hierarchy and in other cases spread over life of the financial instrument using effective interest method.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in three categories:

- Financial assets measured at amortized cost
- Financial assets at fair value through OCI – Debt Instruments
- Financial assets at fair value through profit or loss

Financial assets measured at amortized cost

Financial assets are measured at amortized cost if the financials asset is held within a business model whose objective is to hold financial 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. These financials assets are amortized using the effective interest rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the consolidated statement of profit and loss. The losses arising from impairment are recognized in the consolidated statement of profit and loss in finance costs.

Financial assets at fair value through OCI (FVTOCI)

Financial assets are mandatorily measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets 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.

At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI. Fair value changes relating to financial assets measured at FVTOCI are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the income statement. On derecognition of the financial asset other than equity instruments, cumulative gain or loss previously recognised in OCI is reclassified to Profit or Loss.

Financial assets at fair value through profit or loss (FVTPL)

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income, is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognized in the Consolidated statement of profit and loss.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

Impairment of financial assets

The Group assesses impairment based on expected credit loss (ECL) model on the following:

- Financial assets that are measured at amortised cost.
- Financial assets (excluding equity instruments) measured at fair value through other comprehensive income (FVTOCI).

ECL is measured through a loss allowance on a following basis after considering the value of recoverable security:-

- The 12 month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date)
- Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments)

The Group follows ‘simplified approach’ for recognition of impairment on trade receivables or contract assets resulting from normal business transactions. The application of simplified approach does not require the Group to track changes in credit risk. However, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, from the date of initial recognition.

For recognition of impairment loss on other financial assets, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has increased significantly, lifetime ECL is provided. For assessing increase in credit risk and impairment loss, the Group assesses the credit risk characteristics on instrument-by-instrument basis.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

Impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the consolidated statement of profit and loss.

b) Financial Liabilities

The Group's financial liabilities includes borrowings, trade payable, accrued expenses and other payables.

Initial recognition and measurement

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the consolidated statement of profit and loss depending upon the level of fair value.

Subsequent measurement

The subsequent measurement of financial liabilities depends upon the classification as described below:-

Financial Liabilities classified as Amortised Cost:

Financial Liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate. Interest expense that is not capitalised as part of costs of assets is included as Finance costs in the consolidated statement of profit and loss.

Financial Liabilities at Fair value through profit and loss (FVTPL)

FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities have not been designated upon initial recognition at FVTPL.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged / cancelled / expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

c) Derivatives

Derivative instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated. The resulting gain or loss is recognized in the consolidated statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument and is recognized in Other Comprehensive Income (OCI). Cash flow hedges shall be reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss. If hedge of a forecast transaction results in the recognition of a non-financial asset or a non-financial liability, then the gain or loss that are accumulated in the cash flow hedge reserve is recognised in the initial cost or other carrying amount of the asset or liability (this is also referred to as "Basis Adjustment").

E) Recent accounting pronouncements:

The Ministry of Corporate Affairs (MCA) on 23rd March, 2022 through companies (Indian Accounting Standards) Amendment Rules, 2022 has notified the following amendments to IND AS which are applicable on 1st April, 2022.

i) Ind AS 16 – Property, Plant and Equipment –

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment.

The amendment prohibits an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in the profit or loss.

The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

ii) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Asssets –

The amendment specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (examples depreciation charge). The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

NOTE 2 (a) : PROPERTY, PLANT AND EQUIPMENT

(₹ Crores)

Property, plant and equipment	As at 31.03.2022	As at 31.03.2021
Owned Assets	9054.62	9007.04
Leased Assets	445.97	409.38
Total	9500.59	9416.42

NOTE 2 (b) : CAPITAL WORK-IN-PROGRESS (CWIP)	1233.07	1002.23

CWIP Ageing Scheduled

(₹ Crores)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	839.63	200.45	164.84	25.18	1230.10
	(487.46)	(421.89)	(43.11)	(45.47)	(997.93)
Projects temporarily suspended	-	-	0.75	2.22	2.97
	(-)	(2.10)	(-)	(2.20)	(4.30)

Figures in brackets are in respect of previous year

(₹ Crores)

NOTE 2 (a 1) : Owned Assets												NOTE 2 (c) INTANGIBLES
Particulars	Land Freehold	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Air Craft	Office equipment	Computers	Moulds	Other Assets	Total	Computer Software
GROSS BLOCK												
Carrying Value as at 31 March 2020	**572.81**	**2690.84**	**7314.17**	**25.83**	**50.03**	**83.98**	**36.07**	**46.00**	**637.49**	**412.99**	**11870.21**	**55.36**
Additions	6.77	368.07	1116.75	8.32	8.94	-	5.62	8.41	97.23	37.44	1657.55	5.96
Disposals	(0.09)	(4.92)	(9.84)	(0.60)	(5.04)	-	(1.17)	(0.44)	(28.48)	(4.37)	(54.95)	-
Carrying Value as at 31 March 2021	**579.49**	**3053.99**	**8421.08**	**33.55**	**53.93**	**83.98**	**40.52**	**53.97**	**706.24**	**446.06**	**13472.81**	**61.32**
Additions	0.87	145.66	832.17	3.97	10.04	-	3.85	6.93	124.44	45.93	1173.86	6.73
Disposals	-	(2.57)	(39.62)	(0.72)	(2.20)	-	(1.15)	(4.17)	(4.77)	(2.62)	(57.82)	(9.25)
Carrying Value as at 31 March 2022	**580.36**	**3197.08**	**9213.63**	**36.80**	**61.77**	**83.98**	**43.22**	**56.73**	**825.91**	**489.37**	**14588.85**	**58.80**
DEPRECIATION BLOCK												
Accumulated depreciation/ Amortisation as at 31 March 2020	**-**	**267.33**	**2628.24**	**14.32**	**23.10**	**10.31**	**20.74**	**25.14**	**295.69**	**175.01**	**3459.88**	**26.87**
Depreciation / Amortisation for the year	-	93.93	774.41	4.62	7.24	5.92	6.17	10.49	98.69	53.31	1054.78	10.12
Disposals	-	(1.32)	(8.47)	(0.47)	(4.44)	-	(1.16)	(0.44)	(28.46)	(4.13)	(48.89)	-
Accumulated depreciation / Amortisation as at 31 March 2021	**-**	**359.94**	**3394.18**	**18.47**	**25.90**	**16.23**	**25.75**	**35.19**	**365.92**	**224.19**	**4465.77**	**36.99**
Depreciation / Amortisation for the year	-	101.10	830.41	5.11	6.99	5.92	6.11	9.68	105.86	50.52	1121.70	9.83
Disposals	-	(0.70)	(37.62)	(0.65)	(1.84)	-	(1.12)	(4.16)	(4.77)	(2.38)	(53.24)	(9.25)
Accumulated depreciation / Amortisation as at 31 March 2022	**-**	**460.34**	**4186.97**	**22.93**	**31.05**	**22.15**	**30.74**	**40.71**	**467.01**	**272.33**	**5534.23**	**37.57**
NET BLOCK												
As at 31 March 2021	**579.49**	**2694.05**	**5026.90**	**15.08**	**28.03**	**67.75**	**14.77**	**18.78**	**340.32**	**221.87**	**9007.04**	**24.33**
As at 31 March 2022	**580.36**	**2736.74**	**5026.66**	**13.87**	**30.72**	**61.83**	**12.48**	**16.02**	**358.90**	**217.04**	**9054.62**	**21.23**

Note:

1. Freehold land includes agricultural land - ₹ 0.12 Crores (31st March, 2021 - ₹ 0.12 Crores).
2. Other assets represents Electrical Fittings, Fire Fighting/Other Equipments and Canteen Utensils.
3. The amount of Borrowing Cost capitalised during the year ended 31st March, 2022 - ₹ 1.85 Crores (31st March, 2021 - ₹ 2.11 Crores).
4. Capital expenditure on Research and Development during the year - ₹ 6.71 Crores (31st March, 2021 including Buildings - ₹ 31.88 Crores)
5. Title deeds of Freehold Land are held in the name of the Holding Company and its Subsdiary. Title deeds in respect of Buildings on immovable properties which are constructed on the Freehold Land is based on documents constituting evidence of legal ownership of the Buildings.

NOTE 2 (a 2): Leased Assets

(₹ Crores)

Particulars	Land	Buildings	Vehicles	Total
GROSS BLOCK				
Carrying Value as at 31 March 2020	**97.58**	**388.82**	**14.75**	**501.15**
Additions	0.26	71.41	10.18	81.85
Disposals		(38.57)		(38.57)
Carrying Value as at 31 March 2021	**97.84**	**421.66**	**24.93**	**544.43**
Additions	-	123.03	9.14	132.17
Disposals		(36.84)		(36.84)
Carrying Value as at 31 March 2022	**97.84**	**507.85**	**34.07**	**639.76**
DEPRECIATION BLOCK				
Accumulated depreciation/Amortisation as at 31 March 2020	**3.40**	**56.98**	**9.83**	**70.21**
Depreciation / Amortisation for the year	1.06	64.98	9.83	75.87
Disposals	-	(11.03)	-	(11.03)
Accumulated depreciation / Amortisation as at 31 March 2021	**4.46**	**110.93**	**19.66**	**135.05**
Depreciation / Amortisation for the year	1.06	63.03	9.43	73.52
Disposals	-	(14.78)	-	(14.78)
Accumulated depreciation / Amortisation as at 31 March 2022	**5.52**	**159.18**	**29.09**	**193.79**
NET BLOCK				
As at 31 March 2021	**93.38**	**310.73**	**5.27**	**409.38**
As at 31 March 2022	**92.32**	**348.67**	**4.98**	**445.97**

Note:

1. The Group has incurred ₹ 25.53 Crores (Previous year - ₹ 12.65 Crores) for the year ended 31st March, 2022 towards expenses relating to short-term leases and leases of low-value assets (Refer Note 23). The total cash outflow for leases is ₹ 122.31 Crores (Previous year - ₹ 110.42 Crores) for the year ended 31st March, 2022, including cash outflow of short-term leases and leases of low-value assets. Interest on lease liabilities is ₹ 36.29 Crores (Previous year - ₹ 37.27 Crores) for the year ended 31st March, 2022 (Refer Note 22).
2. The Group's leases mainly comprise of land, buildings and vehicles. The Group mainly leases land and buildings for its manufacturing, warehouse facilities and sales offices. The Company also has leased vehicles for its Goods Transporation.

NOTE 3: INVESTMENTS

(₹ Crores)

Particulars	As at 31.03.2022	As at 31.03.2021
Non-Current Investments		
Fully Paid-up		
Quoted		
Equity Shares (at fair value through Profit or Loss)	12.14	9.51
In Debt Instruments - Bonds (at fair value through OCI)	1122.81	1120.19
Others: (at fair value through Profit or Loss)*	0.07	0.07
*Note: The Holding Company had invested in Co-operative Societies and in certain other companies towards the corpus. These are non participative shares and normally no dividend is accrued. The Holding Company has carried these investments at its transaction value considering it to be its fair value.		
Total	**1135.02**	**1129.77**
Aggregate Market Value of Quoted Investments	1134.95	1129.70
Aggregate Amount of Unquoted Investments	0.07	0.07
Grand Total	1135.02	1129.77
Current Investments		
Fully paid up - Unquoted		
In Mutual Fund Units: (at fair value through Profit or Loss)		
Income Plan: Growth Option	2521.44	4744.25
Aggregate Amount of Unquoted Investments	2521.44	4744.25
Grand Total	2521.44	4744.25

NOTE 4 : LOANS (Unsecured, considered good)

(₹ Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Loans to employees	0.95	2.70	3.18	6.77
Total	0.95	2.70	3.18	6.77

NOTE 5 : OTHER FINANCIAL ASSETS

(₹ Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Carried at Amortised cost :				
Bank deposits with more than 12 months maturity	78.42	75.39	-	-
Export Benefits receivables	-	-	0.85	14.74
Interest Accrued on Loans, Deposits etc.	-	0.06	51.69	40.77
Salary and wage advance	-	-	9.25	5.64
Fixed Deposits - Others	-	-	600.00	-
Others	52.69	-	105.37	-
Carried at Fair value through Profit & Loss :				
Security Deposits	2.72	2.84	-	-
Deposits	17.61	16.19	-	-
Total	151.44	94.48	767.16	61.15

NOTE 6 : OTHER ASSETS

(₹ Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Capital Advances	529.50	235.38	-	-
Advances other than capital advances;				
Security Deposits	55.08	53.95	-	-
Advances to Employees	-	-	19.82	24.23
Sub Total	584.58	289.33	19.82	24.23
Others				
Balance with statutory authorities	-	-	1.77	6.20
Advances recoverable in cash or kind	3.14	3.20	146.21	124.08
Prepaid Expenses	-	-	42.50	33.66
Others	-	-	43.09	108.30
Sub Total	3.14	3.20	233.57	272.24
Total	587.72	292.53	253.39	296.47

NOTE 7 : INVENTORIES

(₹ Crores)

	As at 31.03.2022	As at 31.03.2021
Raw Materials	1633.30	1327.92
Raw Materials in transit	98.30	93.34
Work-in-progress	395.29	326.36
Finished goods	1604.16	818.59
Stock-in-trade	42.41	40.76
Stores and spares	356.21	331.84
Total	4129.67	2938.81

NOTE 8 : TRADE RECEIVABLES

(₹ Crores)

	As at 31.03.2022	As at 31.03.2021
Trade receivables		
Secured, considered good	1580.95	1500.82
Unsecured, considered good	751.73	645.14
Trade Receivables - credit impaired	2.99	3.24
Less: Expected Credit Loss provision (Refer Note 24 (B) ii)	(2.99)	(3.24)
Total	2332.68	2145.96

Note: The Group has used a practical expedient for computing expected credit loss allowance for trade receivables, taking into account historical credit loss experience and accordingly, provisions are made for expected credit loss for amounts due from customers where necessary.

Trade Receivables Ageing Schedules

(₹ Crores)

Particulars	**Outstanding for following periods from due date of payment#**					**Total**
	Less than 6 months	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	
(i) Undisputed Trade Receivables — considered good	316.64 (369.71)	10.22 (7.20)	-	-	-	326.86 (376.91)
(ii) Undisputed Trade Receivables — credit impaired	- -	0.33 (0.42)	0.34 (0.53)	2.11 (2.08)	0.21 (0.21)	2.99 (3.24)
(iii) Amount Due						2005.82 (1769.05)
Total Gross						2335.67 (2149.20)
Allowance for Expected Credit Loss						2.99 (3.24)
Total						2332.68 (2145.96)

#Figures in brackets are in respect of Previous year

NOTE 9 : CASH AND CASH EQUIVALENTS (as per Cash Flow Statement)

(₹ Crores)

	As at 31.03.2022	As at 31.03.2021
Balances with Banks		
- In Current accounts	133.27	104.05
- In Term deposits with original maturity of less than 3 months	14.09	36.93
Cheques, drafts on hand; and	30.55	25.07
Cash on hand	0.78	0.80
Total	178.69	166.85

NOTE 10 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ Crores)

	As at 31.03.2022	As at 31.03.2021
Others:		
Unclaimed Dividend Account	1.74	2.54
Total	1.74	2.54

NOTE 11 : BORROWINGS

(₹ Crores)

	As at 31.03.2022	As at 31.03.2021
NON-CURRENT		
Secured		
Soft loan from SIPCOT (At amortised cost)	64.12	63.13
Unsecured		
Term loans from Banks;		
- External Commercial Borrowings (ECB) (at fair value through OCI)	-	294.76
- Rupee Term Loan	749.99	450.00
Others		
Deferred payment liabilities	3.10	3.87
Sub Total	817.21	811.76
CURRENT		
Secured		
Loans repayable on demand		
- from banks	885.00	40.02
Interest accrued on above	1.31	0.80
Current maturities of long-term debt	-	180.00
Interest accrued on above	-	15.38
Unsecured		
- from banks	812.79	871.83
Interest accrued on above	1.49	2.76
(The interest rate on the above said loans range from 0.665% to 2.98% p.a (Previous year - 2.14% to 3.17% p.a)).		
Current maturities of long-term debt	291.69	87.11
Interest accrued on above	8.51	10.96
Sub Total	2000.79	1208.86
Total	2818.00	2020.62

Note: Security and terms of repayment in respect of above borrowings are detailed in Note 25 g.

Reconciliation of Financing Liabilities:

(₹ Crores)

	As at 31.03.2022	As at 31.03.2021
Opening balance		
- Long Term Borrowings	811.76	779.03
- Current borrowings	911.85	727.41
- Current maturities of long term debt	267.11	344.08
- Interest accrued on debt	29.90	3.62
Total - A	2020.62	1854.14
a) Cash flow movements		
- Proceeds from borrowings	1085.93	484.44
- Repayment of borrowings	(266.68)	(341.53)
b) Non-cash movements		
- Effect of amortization of loan origination costs	0.99	1.63
- Foreign exchange translation	(4.27)	(4.34)
- Interest accrued on debt	(18.59)	26.28
Total - B	797.38	166.48
Closing Balance (A+B)	2818.00	2020.62
Closing Balance Break Up		
- Long Term Borrowings	817.21	811.76
- Current borrowings	1697.79	911.85
- Current maturities of Long term borrowings	291.69	267.11
- Interest accrued on debt	11.31	29.90

NOTE 12 : PROVISIONS

(₹ Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Provision for employee benefits	51.33	51.98	18.39	50.48
Others:				
- Warranty and others	167.58	159.57	162.39	149.25
Total	218.91	211.55	180.78	199.73

NOTE 13 : DEFERRED TAX LIABILITIES (NET)

(₹ Crores)

	As at 31.03.2022	As at 31.03.2021
Deferred Tax Liabilities:		
- Arising on account of difference in carrying amount and tax base of PPE and Intangibles	430.10	446.89
- Unrealised (gain)/loss on FVTPL debt Mutual Funds	30.20	9.63
- Unrealised gain/(loss) on FVTOCI Debt Instruments	(1.44)	(2.27)
- Other adjustments	12.65	7.26
Total	471.51	461.51
Deferred Tax Asset:		
- Accrued Expenses allowable on Actual Payments	28.69	26.93
- On remeasurements of defined benefit plans	26.74	33.21
- On revaluation of designated cash flow hedges	6.29	6.85
- On Right of Use Asset	14.30	14.28
Total	76.02	81.27
Total	395.49	380.24

NOTE 14 : OTHER LIABILITIES

(₹ Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Contract Liabilities	-	-	44.86	33.04
Others:				
Dealers' Security Deposit	-	-	1682.57	1615.54
Retention Money	16.90	9.85	76.23	90.02
Statutory Dues	-	-	410.95	278.86
Liabilities for expenses	-	-	0.34	0.49
Deferred Income	164.27	171.19	23.54	11.98
Others	0.63	3.18	12.94	15.11
Total	181.80	184.22	2251.43	2045.04

During the year ended 31st March, 2022, the Group recognised revenue of ₹ 31.41 Crores as revenue from contracts with customers, the corresponding value for Previous year - ₹ 76.95 Crores.

Movement of contract liabilities is as under:

(₹ Crores)

	As at 31.03.2022	As at 31.03.2021
As at beginning of the year	33.04	85.88
Recognised as revenue from contracts with customers	(31.41)	(76.95)
Advance from customers received during the year	43.23	24.11
Balance at the close of the year	44.86	33.04

NOTE 15 : TRADE PAYABLES

(₹ Crores)

	As at 31.03.2022	As at 31.03.2021
Outstanding dues of Micro and Small Enterprises	58.26	54.21
Outstanding dues of Creditors other than Micro and Small Enterprises	1998.52	3251.93
Total	2056.78	3306.14
Of the above;		
- Acceptances	1598.81	438.81

Trade Payables ageing schedule

(₹ Crores)

Particulars	Outstanding for following periods from due date of payment#				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	1.58	-	-	-	1.58
	(7.56)	(0.01)	-	(0.01)	(7.58)
(ii) Others	441.55	3.85	14.06	20.70	480.16
	(886.00)	(18.86)	(19.72)	(15.04)	(939.62)
(iii) Amounts not due					1575.04
					(2358.94)

#Figures in brackets are in respect of Previous year

NOTE 16 : OTHER FINANCIAL LIABILITIES

(₹ Crores)

	Non-Current		Current	
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
Carried at Amortised Cost :				
Unclaimed dividends	-	-	1.74	2.54
Employee benefits	-	-	101.33	108.05
Liabilities for expenses	106.83	-	112.76	165.35
Others	-	-	182.99	147.73
Carried at Fair Value :				
Derivative Financial Liabilities (FVTOCI)	-	-	3.59	21.60
Derivative Financial Liabilities (FVTPL)	-	-	0.64	3.87
Total	106.83	-	403.05	449.14

NOTE 17 : REVENUE FROM OPERATIONS

(₹ Crores)

	Year Ended 31.03.2022	Year Ended 31.03.2021
Revenue from Contracts with Customers :		
Sale of Goods (Refer Note 25 e)	19006.28	16059.93
Sale of Services	20.87	16.74
Other Operating Revenues:		
Scrap Sales	122.17	86.52
Subsidy from State Government	167.40	-
Total	19316.72	16163.19

The management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under IND AS 115 "Revenue from contracts with customers". Hence no separate disclosure of disaggregate revenues are reported.(refer note 25 e)

Reconciliation of revenue recognised with the contracted price is as follows: (₹ Crores)

	Year Ended 31.03.2022	Year Ended 31.03.2021
Gross Sales (Contracted Price)	19976.42	16738.96
Reductions towards variable consideration (Product, Turnover and Prompt payment discount)	(413.73)	(384.27)
Claims preferred against obligation (Note 1(D-13))	(245.97)	(191.50)
Revenue recognised	19316.72	16163.19

NOTE 18 : OTHER INCOME

(₹ Crores)

	Year Ended 31.03.2022	Year Ended 31.03.2021
Interest Income	100.49	127.33
Dividend Income from Non Current Investment	0.06	-
Government Grant :		
- Export Incentives	15.09	21.43
- Others	17.40	14.38
Net gain on sale of Investments classified as FVTPL	7.38	1.01
Net gains on fair value changes on financial assets classified as FVTPL	155.49	29.11
Doubtful Debt provision written back	0.13	-
Miscellaneous Income	20.95	16.68
Total	316.99	209.94

Net gains (losses) on fair value changes (₹ Crores)

	Year Ended 31.03.2022	Year Ended 31.03.2021
Equity Investments designated at FVTPL	2.63	4.00
Debt Mutual Fund Investments designated at FVTPL	152.86	25.11
Total Net gains (Losses) on fair value changes	155.49	29.11

NOTE 19 : COST OF MATERIALS CONSUMED

(₹ Crores)

	Year Ended 31.03.2022	Year Ended 31.03.2021
Opening Stock of Raw Materials	1421.26	1026.53
Purchases during the year	13729.92	9346.83
Closing Stock of Raw Materials	(1731.61)	(1421.26)
Total	13419.57	8952.10

NOTE 20 : CHANGES IN INVENTORIES OF FINISHED GOODS STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ Crores)

	Year Ended 31.03.2022	Year Ended 31.03.2021
Closing Stock:		
Finished Goods	1604.16	818.59
Stock-in-Trade	42.41	40.76
Work-in-Progress	395.29	326.36
	2041.86	1185.71
Less: Opening Stock:		
Finished Goods	818.59	1266.42
Stock-in-Trade	40.76	40.04
Work-in-Progress	326.36	233.50
	1185.71	1539.96
Total	(856.15)	354.25

NOTE 21 : EMPLOYEE BENEFITS EXPENSE

(₹ Crores)

	Year Ended 31.03.2022	Year Ended 31.03.2021
Salaries and Wages	1215.89	1175.96
Contribution to provident and other funds	113.86	107.27
Staff welfare expenses	172.20	131.80
Total	1501.95	1415.03

NOTE 22 : FINANCE COSTS

(₹ Crores)

	Year Ended 31.03.2022	Year Ended 31.03.2021
Interest on Loans and Deposits	209.79	211.26
Interest on Debentures	2.78	20.64
Interest on Deferred Payment Credit	0.50	0.57
Interest on Lease liabilities (Refer Note 2 (a 2))	36.29	37.27
Other Borrowing Costs		
Unwinding of discount relating to Long Term Liabilities	3.98	4.14
Other Charges	0.46	0.79
Total	253.80	274.67

NOTE 23 : OTHER EXPENSES

(₹ Crores)

	Year Ended 31.03.2022	Year Ended 31.03.2021
Stores and Spares Consumed	387.63	265.97
Power and Fuel	931.94	655.20
Processing Expenses	271.40	241.62
Rent (Refer Note 2 (a 2))	25.53	12.65
Rates and Taxes	15.02	11.28
Insurance	62.56	55.47
Printing and Stationery	9.66	10.01
Repairs and Renewals:		
Buildings	20.45	21.30
Plant and Machinery	152.78	123.98
Other Assets	83.03	70.80
Travelling and Conveyance	27.11	17.49
Communication Expenses	7.17	5.50
Vehicle Expenses	11.34	10.05
Auditors' Remuneration:		
As Auditors:		
Audit fee	0.93	0.84
Tax Audit fee	0.18	0.16
Other Services	0.06	0.06
Reimbursement of Expenses	0.07	0.04
	1.24	1.10
Cost Auditors Remuneration:		
Audit fee	0.08	0.08
Directors' Fees	0.24	0.23
Directors' Travelling Expenses	2.81	4.01
Advertisement	205.58	118.81
Warranty	14.06	63.04
Sales tax absorbed by the company	0.07	0.70
Bad debts written off (Net off Impairment reversal of - ₹ 0.67 Crore)	0.21	0.16
Commission	18.64	19.50
Freight and Forwarding (Net)	712.43	536.66
Loss on Sale of Fixed Asset	2.20	4.91
Net Loss on Foreign Currency Transactions	61.89	55.29
Bank Charges	9.00	6.97
Provision for Impairment of Assets (other than Financial Assets)	7.10	-
Provision for Impairment of Financial Assets	0.42	0.48
Corporate Social Responsibility Expenditure	34.33	90.23
Miscellaneous Expenses	108.32	79.83
Total	3184.24	2483.32

NOTE 24 :

A. Capital Management

For the purpose of Group's Capital Management, capital includes Issued Equity Capital, Securities Premium, and all other Equity Reserves attributable to the Equity Holders of the Group. The primary objective of the Group's Capital Management is to maximise the Shareholder Value.

The Group manages its capital structure and makes adjustments in the light of changes in economic conditions and requirements of the financial covenants and to continue as a going concern. The Group monitors using a gearing ratio which is net debts divided by total capital plus net debt. The group includes within net debt, interest bearing loans and borrowings, less cash and short term deposit. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain an optimal capital structure, the group allocates its capital for distribution as dividend or reinvestment into bussiness based on its long term financial plans.

B. Financial Risk Management

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the operations of the Group. The principal financial assets include trade and other receivables, investments in mutual funds, cash and short term deposits.

The Group has assessed market risk, credit risk and liquidity risk to its financial instruments.

i) Market Risk

Is the risk of loss of future earnings, fair values or cash flows that may result from a change in the price of a financial instrument, as a result of interest rates, foreign exchange rates and other price risks. Financial instruments affected by market risks, primarily include loans & borrowings, investments and foreign currency receivables, payables and borrowings.

a) Interest Rate Risk:

The Group borrows funds in Indian Rupees and Foreign currency, to meet both the long term and short term funding requirements. The Interest rate risk in terms of Foreign currency is managed through financial instruments available to convert floating rate liability into fixed rate liability. The Group due to its AAA rated status commands one of the cheapest source of funding. Interest rate is fixed for the tenor of the Long term loans availed by the Group. Interest on Short term borrowings is subject to floating interest rate and are repriced regularly. The sensitivity analysis detailed below have been determined based on the exposure to variable interest rates on the average outstanding amounts due to bankers over a year.

If the interest rates had been 1% higher / lower and all other variables held constant, the Group's profit for the year ended 31st March, 2022 would have been decreased/increased by ₹ 13.17 Crores (Previous year - ₹ 11.66 Crores).

b) Currency Risk:

Foreign currency risks from financial instruments at the end of the reporting period expressed in INR :

Unhedged Short Term Exposures: (₹ Crores)

	31.03.2022	31.03.2021
Financial Assets	253.61	174.23
Financial Liabilities	212.40	233.39

The company is mainly exposed to changes in US Dollar. The sensitivity to a 2% (Previous year - 2%) increase or decrease in US Dollar against INR with all other variables held constant will be +/(-) ₹ 0.87 Crores (Previous year - ₹ 0.82 Crores).

The Sensitivity analysis is prepared on the net unhedged exposure of the company at the reporting date.

Hedged Foreign Currency exposures:

Foreign Exchange forward Contracts on External Commercial borrowings and certain highly probable forecast transactions, are measured at fair value through OCI on being designated as Cash Flow Hedges.

The Group also enters into foreign exchange forward contracts with the intention to minimise the foreign exchange risk of expected purchases, these contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

The outstanding position and exposures are as under:

i) Foreign Currency forward contracts designated as Hedge Instruments :

	Currency	Amount		₹ Crores	Nature	Cross Currency
Currency/Interest Rate Swap	USD	45.00	Million	288.59	ECB Loan	
		(58.33)	Million	(374.59)		INR
Forward Contract	USD	135.18	Million	1042.38	Import purchase	
		(140.22)	Million	(1065.30)		

The terms of the foreign currency forward contracts match the terms of the transactions. As a result, no hedge ineffectiveness arises requiring recognition through profit or loss.

ii) Other Forward Contract Outstanding :

	Currency	Amount		₹ Crores	Nature	Cross Currency
Forward Contract	USD	24.96	Million	190.91	Import purchase	INR
		(36.19)	Million	(267.06)		
Forward Contract	USD	19.03	Million	144.04	Sales	USD
		(55.79)	Million	(407.71)		

Figures in brackets are in respect of Previous year.

c) Price Risk :

The Group is affected by the price stability of certain commodities. Due to the significantly increased volatility of certain commodities like Natural Rubber, Synthetic Rubber and other Chemicals, the Group enters into purchase contracts on a short to medium Term and forward foreign exchange contracts are entered into to bring in stability of price fluctuations.

The Group's investments in Quoted and Unquoted Securities are susceptible to market price risk arising from uncertainties about future values of investment securities. The group manages the securities price risk through investments in debt funds and diversification by placing limits on individual and total investments. Reports on Investment Portfolio are reviewed on regular basis and all approvals of investment decisions are done in concurrence with the senior management.

As at 31st March, 2022 the investments in debt mutual funds and Bonds amounts to ₹ 3644.25 Crores (Previous year - ₹ 5864.44 Crores). A 1% point increase or decrease in the NAV with all other variables held constant would have lead to approximately an additional ₹ 36 Crores (Previous year - ₹ 59 Crores) on either side in the statement of profit and loss.

ii) Credit Risk

Is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. It arises from credit exposure to customers, financial instruments viz., Investments in Equity Shares, Bonds, Debt Funds, Fixed deposit-others and Balances with Banks.

The Group's marketing policies are well structured and all replacement sales are predominantly through dealers and the outstanding are secured by dealer deposits. As regards sales to O.E., and other institutional sales, the Group carries out periodic credit checks and also limits the exposure by establishing maximum payment period for customers and by offering prompt payment discounts. The outstanding trade receivables due for a period exceeding 180 days as at the year ended 31st March, 2022 is 0.25% (31st March, 2021 - 0.64%) of the total trade receivables.

The group uses Expected Credit Loss (ECL) Model to assess the impairment loss or gain. The allowance for lifetime ECL on customer balances for the year ended 31st March, 2022 was ₹ 2.99 Crores and for the year ended 31st March, 2021 was ₹ 3.24 Crores.

(₹ Crores)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Balance at the beginning	3.24	2.76
Impairment loss recognised	0.42	0.48
Impairment loss reversed	0.67	-
Balance at the end	**2.99**	**3.24**

The Group holds cash and deposits with banks which are having highest safety rankings and hence has a low credit risk.

Investments in mutual funds are primarily debt funds, which have high safety ratings and are monitored on a monthly basis and the Group is of the opinion that its mutual fund investments have low credit risk.

iii) **Liquidity Risk**

The Group manages liquidity risk by maintaining adequate surplus, banking facilities and reserve borrowings facilities by continuously monitoring forecasts and actual cash flows.

The Group has a system of forecasting rolling three months cash inflow and outflow and all liquidity requirements are planned.

All Long term borrowings are for a fixed tenor and generally these cannot be foreclosed.

The Group has access to various source of Short term funding and debt maturing within 12 months can be rolled over with existing lenders/new lenders, or repaid based on short term requirements.

Trade and other payables are plugged into the three months rolling cash flow forecast to ensure timely funding, if required.

All payments are made along due dates and requests for early payments are entertained after due approval and availing early payment discounts.

The details of the contractual maturities of significant financial liabilities as at 31st March, 2022 are as under:

(₹ Crores)

Particulars	Refer Note	Less than 1 year	1-3 years	3-5 years	More than 5 years
Borrowings	Note 11 and 14	2000.79	251.87	401.21	180.92
		(1208.86)	(446.42)	(202.21)	(180.92)
Trade Payable	Note 15	2056.78	-	-	-
		(3306.14)	(-)	(-)	(-)
Other Financial Liabilities	Note 16	299.98	106.83	-	-
		(338.55)	(-)	(-)	(-)
Employee Benefit liabilities	Note 16	101.33	-	-	-
		(108.05)	(-)	(-)	(-)
Unclaimed dividends	Note 16	1.74	-	-	-
		(2.54)	(-)	(-)	(-)
Lease Liabilities		60.08	108.02	106.63	136.22
		(54.99)	(94.02)	(94.81)	(123.80)

Figures in brackets are in respect of Previous year.

NOTE 25 : ADDITIONAL / EXPLANATORY INFORMATION

a. Disclosures

(i) The Notes to these consolidated Ind AS financial statements are disclosed to the extent relevant and necessary for presenting a true and fair view of the consolidated Ind AS financial statements based on section 129(4) of The Companies Act, 2013 and as clarified vide Circular No. 39/2014 dated 14th October, 2014.

(ii) Movement in Provisions as required by IND AS - 37 - "Provisions, Contingent Liabilities and Contingent Assets" are the same as disclosed in the Standalone Ind AS Financial Statements.

(iii) Consolidated Employee benefit disclosures are not materially different from the employee benefit disclosures of the standalone Ind AS financial statements of the Company.

b. Earnings Per Share

Particulars		Year ended 31.03.2022	Year ended 31.03.2021
Profit after taxation	₹ Crores	669.24	1277.07
Number of equity shares (Face Value ₹10/-)	Nos.	4241143	4241143
Earnings per share	₹	1577.97	3011.14

c. Related party disclosures:

(a) Names of related parties and nature of relationship with whom transactions have taken place:

Key Management Personnel (KMP):	i) Mr. K.M. Mammen, Chairman and Managing Director ii) Mr. Arun Mammen, Vice Chairman and Managing Director iii) Mr. Rahul Mammen Mappillai, Managing Director iv) Mr. Samir Thariyan Mappillai, Whole time Director v) Mr. Varun Mammen, Whole time Director vi) Mr. S. Dhanvanth Kumar, Company Secretary vii) Mr. Madhu P Nainan, Vice President Finance
Close Members of the family of KMP	i) Mrs. Ambika Mammen, Director (Wife of Chairman and Managing Director) ii) Dr. (Mrs) Cibi Mammen, Director (Wife of Vice Chairman and Managing Director) iii) Mrs. Meera Mammen (Mother of Mr. Varun Mammen)
Companies in which Directors are interested:	Badra Estate & Industries Limited, Devon Machines Pvt. Ltd., Coastal Rubber Equipments Pvt. Ltd. Braga Industries LLP, Funskool (India) Ltd., Jcee Manufacturing & Services Pvt. Ltd. VPC Freight Forwarders Pvt. Ltd., The Malayala Manorama Co. Private Limited
Other Related Parties	Mr. Jacob Kurian - Director, MRF Ltd. Executives Provident Fund Trust, MRF Management Staff Gratuity Scheme, MRF Employees Gratuity Scheme, MRF Managers' Superannuation Scheme, MRF Foundation.

(b) Transactions with related parties (excluding reimbursements)

(₹ Crores)

Nature of Transaction		KMP	Close member of the KMP	Companies in which Directors are interested	Other Related Parties
		Year Ended 31.03.2022	Year Ended 31.03.2022	Year Ended 31.03.2022	Year Ended 31.03.2022
i.	Sale of Materials	-	-	5.00	0.55
		-	-	(4.25)	-
ii.	Purchase of Materials/Machinery	-	-	180.84	-
		-	-	(136.48)	-
iii.	Payment towards Service	-	-	17.82	-
		-	-	(12.27)	-
iv.	Selling and Distribution Expenses	-	-	1.72	-
		-	-	(1.28)	-
v.	Other Receipts	-	-	1.84	-
		-	-	(1.77)	-
vi.	Professional charges	-	-	-	0.17
		-	-	-	(0.22)
vii.	Contribution to Retirement Benefit fund /Others	-	-	-	94.87
		-	-	-	(180.71)
	Compensation*				
viii.	Short term Employee benefit (including Commission payable to KMP)	82.96	2.40	-	-
		(85.78)	(2.27)	-	-
ix.	Sitting fees	-	0.02	-	-
		-	(0.02)	-	-

* Remuneration does not include provisions made for Gratuity and Leave benefits as they are determined on an actuarial basis for the Company as a whole.

(₹ Crores)

Nature of Transaction		KMP	Close member of the KMP	Companies in which Directors are interested	Other Related Parties
		Year Ended 31.03.2022	Year Ended 31.03.2022	Year Ended 31.03.2022	Year Ended 31.03.2022
	Outstanding as at Year End				
x.	Other Receivables	-	-	26.59	-
		-	-	(2.28)	-
xi.	Trade Payables	-	-	16.44	-
		-	-	(20.14)	-
xii.	Commission Payable	30.57	-	-	-
		(35.47)	-	-	-
xiii.	Contribution payable to Retirement Benefit fund/Others	-	-	-	13.43
		-	-	-	(46.85)

(Figures in brackets are in respect of Previous year)

(c) Terms and conditions of transactions with related parties;

The transactions with related parties are made on terms equivalent to those that prevail in arm’s length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March, 2022, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (Previous year - ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

d. (i) Additional information on Net Assets and Share of Profit as at 31st March, 2022

Name of the entity		Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income (OCI)	
		As % of consolidated net assets	Amount (₹ Crores)	As % of net Profit	Amount (₹ Crores)	As a % of OCI	Amount (₹ Crores)
Parent							
- MRF Ltd.	2021-22	98.17	13774.61	96.82	879.07	100.48%	14.67
	2020-21	98.23	13176.19	97.88	1,700.02	101.42%	(32.14)
Subsidiaries							
Indian							
- MRF Corp. Ltd.	2021-22	0.90	126.75	2.28	20.70	(0.48%)	(0.07)
	2020-21	0.84	112.27	1.46	25.42	(1.42%)	0.45
- MRF International Ltd.	2021-22	0.01	1.99	0.01	0.13		
	2020-21	0.01	1.90	0.01	0.14		
Foreign							
- MRF Lanka (P) Ltd.	2021-22	0.03	3.74	0.01	0.05		
	2020-21	0.07	9.15	0.10	1.76		
- MRF SG PTE. LTD.	2021-22	0.89	124.66	0.88	7.98		
	2020-21	0.85	114.16	0.55	9.50		
Minority Interest							
Indian Subsidiary	2021-22	-	0.15	-	-	-	-
	2020-21	-	0.14	-	-	-	-

(ii) The Group does not have any material transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act,1956 during the financial year.

e. Disclosures under Ind AS 108 - "Operating Segment" :

The group except for MRF Corp Ltd., is engaged in the manufacture of rubber products such as Tyre, Tubes, Flaps, Tread Rubber and / or Trading in Rubber and Rubber Chemicals. In the context of IND-AS 108 operating segment are considered to constitute one single primary segment. MRF Corp Ltd. is engaged in the manufacture of Speciality Coatings and its revenues, results and assets do not meet the criteria specified for reportable segment prescribed in the IND-AS. The group's operations outside India do not exceed the quantitative threshold for disclosure envisaged in the IND-AS. Non-reportable segments have not been disclosed as unallocated reconciling item in view of their materiality. In view of the above, primary and secondary reporting disclosures for business/geographical segment are not applicable.

Entity wide disclosure as per paragraph 31 of Ind AS 108:

(₹ Crores)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
(i) Products:		
Automobile Tyres	17048.83	14364.03
Automobile Tubes	1233.43	1122.00
Speciality Coating	318.16	232.70
Others	405.86	341.20
	19006.28	16059.93
(ii) Revenue from Customers:		
India	17215.06	14714.88
Outside India	1791.22	1345.05
	19006.28	16059.93
(iii) Non Current Assets :		
India	12869.26	12216.42
Outside India	2.52	2.64

(iv) There are no transactions with single customer which amounts to 10% or more of the Group's revenue.

f. Terms of Repayment and Security Description of Current Borrowings:

i) ECB (Unsecured) from the HSBC Bank

USD 45 Million availed in December, 2017 is for capital expenditure. Interest is payable at a rate equal to the six months BBA LIBOR plus margin of 0.80% payable half yearly (Previous year - six months BBA LIBOR plus margin of 0.80%). The said Loan is fully hedged and is repayable in one full instalment in December, 2022.

ii) Loans repayable on demand from banks are secured by hypothecation of Inventories and book debts, equivalent to the outstanding amount and carries interest rates at the rate of 3.80% to 6.85% (Previous year 6.60% to 8.85%)

g. Terms of Repayment and Security Description of Non Current Borrowings:

i) Indian Rupee Term Loan (Unsecured) from the HSBC Bank

a) Indian Rupee Term Loan of ₹ 150 Crores availed in February, 2019 is for capital expenditure. Interest is payable at a rate equal to the three months T-Bill rate plus a margin of 1.49% (Previous year - 1.49%) payable monthly. The said Loan is repayable in one full installment in February, 2024.

b) Indian Rupee Term Loan of ₹ 150 Crores availed in July, 2021 is for capital expenditure. Interest is payable at a rate equal to the three months T-Bill rate plus a margin of 1.33% payable monthly. The said Loan is repayable in three equal annual installment in July, 2025/July, 2026/ July, 2027.

ii) Indian Rupee Term Loan (Unsecured) from the HDFC Bank

a) Indian Rupee Term Loan of ₹ 300 Crores availed in June, 2020 is for capital expenditure. Interest is payable at a rate equal to repo rate plus a margin of 1.7% payable monthly. The said Loan is repayable in three equal annual installment in June, 2024/June, 2025/June, 2026.

b) Indian Rupee Term Loan of ₹ 150 Crores availed in June, 2021 is for capital expenditure. Interest is payable at a rate equal to repo rate plus a margin of 0.75% payable monthly. The said Loan is repayable in three equal annual installment in June, 2025/June, 2026/June, 2027.

iii) Secured Loan availed under SIPCOT soft loan in March 2020, Interest is payable at a rate of 0.10% (Previous year - 0.10%) payable quarterly are secured by way of second charge on the Fixed Assets created at the company's plants at Perambalur, near Trichy, Tamil Nadu. This loan will be repaid in full in April 2033.

iv) Deferred payment credit is repayable along with interest (at varying rates) in 240 consecutive monthly instalments ending in March 2026.

h. Events Occurring after the Balance Sheet date

The proposed final dividend for financial year 2021-22 amounting to ₹ 61.07 Crores will be recognised as distribution to owners during the financial year 2022-23 on its approval by Shareholders. The proposed final dividend amounts to ₹ 144/- per share.

i. Commitment:

(i) Estimated amount of contracts remaining to be executed on Capital Account, net of advances and not provided for - ₹ 3031.32 Crores (Previous Year ₹ 1454.21 Crores)

(ii) Guarantees given by the Banks - ₹ 43.84 Crores (Previous year - ₹ 40.90 Crores)

(iii) Letters of Credit issued by the Banks - ₹ 182.45 Crores (Previous year - ₹ 19.40 Crores)

j. Contingent Liabilities not provided for:

Claims not acknowledged as debts:

(a) Competion Commission of India (CCI) matter - Refer Note 1 below

(b) Disputed Sales Tax demands pending before the Appellate Authorities /High Court - ₹ 196.03 Crores (Previous year - ₹ 195.97 Crores)

(c) Disputed Excise/Customs Duty demands pending before the Appellate Authorities/High Court - ₹ 339.96 Crores (Previous year - ₹ 323.94 Crores)

(d) Disputed Income Tax Demands - ₹ 159.87 Crores (Previous year - ₹ 96.58 Crores). Against the said demand the company has deposited an amount of ₹ 97.52 Crores (Previous year - ₹ 49.55 Crores)

(e) Disputed Goods and Service Tax demands pending before the Appellate Authorities - ₹ 1.57 Crores (Previous year - ₹ 0.29 Crores)

(f) Contested EPF Demands pending before Appellate Tribunal- ₹ 1.10 Crores (Previous year - ₹ 1.10 Crores)

Note 1 : In terms of the Order dated 31st August 2018 the Competition Commission of India (CCI) has on 2nd February 2022 released its Order imposing penalty on the Holding Company concerning the breach of provisions of the Competition Act, 2002 during the year 2011-2012 and imposed a penalty of ₹ 622.09 Crores on the Company. The Company has filed an appeal against the CCI Order before the National Company Law Appellate Tribunal (NCLAT). Based on the Company's assessment on the outcome of the appeal, the Company is of the view that no provision is necessary in respect of this matter in the Consolidated Financial Statements.

For M M NISSIM & CO LLP
Chartered Accountants
Firm Reg. No. 107122W / W100672

For MAHESH, VIRENDER & SRIRAM
Chartered Accountants
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Partner
Mem. No. 036490
Chennai
Dated 10th May, 2022

B R MAHESH
Partner
Mem. No. 18628
Hyderabad

MADHU P NAINAN
Vice President Finance

S DHANVANTH KUMAR
Company Secretary
Chennai

JACOB KURIAN
Director
DIN: 00860095

V SRIDHAR
Director
DIN: 00020276

K M MAMMEN
Chairman & Managing Director
DIN: 00020202

FORM AOC-1

(Pursuant to first proviso to sub-section(3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

SUBSIDIARIES

₹ Crores

Sr. No.	Name of the Subsidiary	The Date since when subsidiary was acquired	Reporting Period of the Subsidiary	Reporting Currency	Exchange Rate as on 31.03.2022	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	Extent of Shareholding (in %)
1	MRF Corp Ltd.	26.08.1985	1st April, 2021 to 31st March, 2022	INR	1	0.05	126.75	209.09	82.29	12.88	318.16	20.70	6.06	14.64	0.10*	100%
2	MRF International Ltd.	23.10.1992	1st April, 2021 to 31st March, 2022	INR	1	0.56	2.11	2.67	-	-	0.14	0.13	0.03	0.10	-	94.66%
3	MRF Lanka (P) Ltd.	15.06.2005	1st April, 2021 to 31st March, 2022	LKR	0.25	15.01	3.74	21.32	2.57	-	11.92	0.05	(0.01)	0.06	-	100%
4	MRF SG PTE LTD	23.07.2014	1st April, 2021 to 31st March, 2022	USD	75.70	6.11	124.66	973.02	842.25	-	2048.07	7.98	0.79	7.19	-	100%

* The Proposed Dividend is not recognised in books as per Ind AS.

MADHU P NAINAN
Vice President Finance

S DHANVANTH KUMAR
Company Secretary

JACOB KURIAN
Director
DIN: 00860095

V SRIDHAR
Director
DIN: 00020276

K M MAMMEN
Chairman & Managing Director
DIN: 00020202

Chennai, Dated 10th May, 2022

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