

**INDEPENDENT AUDITOR'S REPORT**

To the members of **MRF CORP LIMITED, CHENNAI**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying Standalone Financial Statements of **MRF CORP LIMITED** ("The Company") which comprise the Balance Sheet as at 31<sup>st</sup> March 2026, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in Equity and the Statement of Cash flows for the year then ended and a summary of significant accounting policies and other explanatory information. (Herein after referred to as "the stand-alone financial statements")

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 prescribed U/s. 133 of the Act read with the Companies (Indian Accounting standards) Rules, 2015, as amended, (IND AS) and other accounting principles generally accepted in India:

In the case of:

- (i) the balance sheet, of the state of affairs of the Company as at 31 March 2026;
- (ii) the statement of profit and loss, of the '**PROFIT**' and the total comprehensive income, changes in equity and its cash flows for the year ended on that date;

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). 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 made 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.



## **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 Management Discussion and Analysis, Board's Report including Annexures to Board's 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.

## **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, total comprehensive income, 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 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 & Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

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



## **Auditor's Responsibilities for the Audit of the 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 judgment and maintain professional skepticism 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 system with reference to standalone 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 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in

- (i) planning the scope of our audit work and in evaluating the results of our work; and
- (ii) (iii) to evaluate the effect of any identified misstatements in the standalone 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 financial controls 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.

### **Report on Other Legal and Regulatory Requirements**

1. 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, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified 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 as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 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 standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

g) 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-.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- 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. In our opinion and to the best our knowledge & belief, the management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, 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;
  - b. In our opinion, the management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, 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 that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under a & b above, contain any material mis-statement.
- v. In our opinion, the dividend declared or paid during the year by the company is in compliance with section 123 of the Companies Act, 2013.
- vi. Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account for the financial year ended March 31, 2026 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.
2. 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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **S.G.KESHAVAMURTHY & CO.**  
**Chartered Accountants**  
**FRN: 001779S**



*Mahalaxmi Bijjur*

**Mahalaxmi Bijjur**  
**Partner**

**Membership Number: 247113**  
**UDIN: 26247113CKNQJY1332**

**Place: Chennai**  
**Date: 06-05-2026**

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of MRF Corp Limited of even date)

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

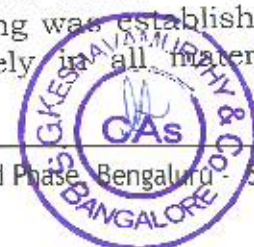
We have audited the internal financial controls over financial reporting of **MRF Corp Limited** ("the Company") as of March 31, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company 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 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 Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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 the 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material mis-statement 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 internal financial controls system over financial reporting of the Company.

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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



## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.G.KESHAVAMURTHY & CO.**  
**Chartered Accountants**  
**FRN: 001779S**



**Mahalaxmi Bijjur**  
**Partner**

**Place: Chennai**  
**Date: 06-05-2026**

**Membership Number: 247113**  
**UDIN: 26247113CKNQJY1332**

**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of MRF Corp Limited of even date)**

i.

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment of both tangible and intangible assets.

(b) The Company has a program of verification to cover all the items of Property, plant and equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

(d) According to the information and explanations given to us, revaluation has not been done of its property, plant and equipment during the year by the company.

(e) As no revaluation was done by the company during the year of its property, plant and equipment, the question of giving values in excess of 10% does not arise.

(f) According to the information and explanations given to us, the company is not holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder as on the balance sheet date.

ii.

(a) As explained to us, physical verification of inventories has been conducted by management at reasonable intervals during the year. In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on physical verification of inventories by the management as compared to inventory records. However, discrepancies noticed on such verification have been properly dealt in

books of account by the management.

- (b) As verified from the books & other records we hereby confirm that the company has not availed any working capital from banks or financial institutions. Hence, the question of submitting quarterly statements to the banks or financial institutions does not arise.
- iii. As explained to us no party has been listed in the Register maintained under section 189 of The Companies Act, 2013; The Company has not made any investments or granted/taken any loans secured or unsecured to/from companies/firms/LLP or other parties covered in the register maintained under section 189 of the companies Act 2013. As explained to us the company has not granted any loans or advances to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013.
- iv. The Company has not granted any loans or provided any guarantee and security to persons specified under section 185 of the Companies Act 2013. The investments made by the company are in conformity with the provisions of section 186 of the companies Act 2013 and the same is not prejudicial to the interest of the company.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2026.
- vi. The Central Government has prescribed the maintenance of cost records under section 148(1) of the Act. We have broadly reviewed the accounts & records of the company in this regard and we are of the opinion that accounts and records have been made and maintained. We have however not made a detailed examination of the same.
- vii. In respect of statutory dues:

- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2026 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2026 on account of disputes are given below:



Nature of the statute	Nature of dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount ₹ crore
The Income Tax Act, 1961	Income tax	Commissioner (Appeals)	AY 2021-2022	0.1042
The Income Tax Act, 1961	Income tax	Commissioner (Appeals)	AY 2024-2025	4.39

- viii. According to the information and explanations given to us, the company has not surrendered or disclosed any transactions as income during the tax assessments under the Income Tax Act 1961, which were not recorded in the books of accounts.
- ix. (a) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (x) of the Order is not applicable to the Company.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (b) According to the information and explanation given to us, 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 and up to the date of this report.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. The company has transactions with its Holding company and the details of the same are shown in notes forming part of the financial statements as required by the applicable accounting standards.
- xiv. In our opinion the company has an internal audit system commensurate with its size and nature of business.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions.



with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- xvii. The company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has not been resignation of statutory auditors during the year.
- xix. In our opinion, there is no material uncertainty exists as on the date of the audit report that the company is 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.
- xx. According to the information and explanations given to us, The Company has taken steps to spend/contribute amount towards CSR activity as required by subsection (5) of section 135 of the companies Act and the unspent amount has been transferred to Fund specified in Schedule VII to the Companies Act.
- xxi. The question of reporting on qualifications by the auditors in CARO does not arise as ours is a standalone financial statement with standalone auditor's report and that we are not preparing consolidated financial statements.

For **S.G.KESHAVAMURTHY & CO.**  
**Chartered Accountants**  
**FRN: 001779S**



**Mahalaxmi Bijur**  
**Partner**

**Place: Chennai**  
**Date: 06-05-2026**

**Membership Number: 247113**  
**UDIN: 26247113CKNQJY1332**

**MRF CORP LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2026**

		(Rupees in Crores)	
	Note	As at 31 MARCH 2026	As at 31 MARCH 2025
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	2 (a)	88.06	88.85
Capital Work-in-Progress	2 (b)	1.23	2.10
Other Intangible Assets	2 (c)	1.33	0.76
Financial Assets			
- Investments	3	1.02	0.85
- Loans	4	0.08	0.06
- Other financial assets	5	0.14	-
Other non-current assets	6	0.61	1.72
<b>Current Assets</b>			
Inventories	7	79.67	87.49
Financial Assets			
- Investments	3	71.11	10.09
- Trade Receivables	8	64.22	69.13
- Cash and cash equivalents	9	3.69	7.14
- Bank balances other than cash and cash equivalents	10	0.12	0.20
- Loans	4	0.04	0.03
- Other financial assets	5	-	-
Other current assets	6	7.61	7.34
<b>TOTAL ASSETS</b>		<b>318.93</b>	<b>275.96</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	SOCE	0.05	0.05
Other Equity	SOCE	219.00	179.14
<b>Total Equity</b>		<b>219.05</b>	<b>179.19</b>

**MRF CORP LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2026**

		(Rupees in Crores)	
	Note	As at 31 MARCH 2026	As at 31 MARCH 2025
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Provisions	12	0.22	0.12
Deferred Tax Liabilities (Net)	13	5.28	4.20
Other non-current liabilities	14	0.01	0.01
<b>Current Liabilities</b>			
Financial Liabilities			
- Borrowings	11	-	-
- Trade Payables			
(A) total outstanding dues of micro enterprises and small enterprises; and	15	7.33	9.19
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	15	71.73	70.23
- Other Financial Liabilities	16	3.76	2.99
Other Current Liabilities	14	7.58	7.29
Provisions	12	2.33	2.37
Current Tax Liabilities (Net)	17	1.64	0.37
<b>Total Liabilities</b>		<b>99.88</b>	<b>96.77</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>318.93</b>	<b>275.96</b>

**Significant Accounting Policies**

Accompanying Notes are an integral part of these financial statements

This is the Balance Sheet referred to in our report of even date

For S.G.KESHAVAMURTHY & Co.,

Chartered Accountants,

FRN : 0017796



MAHALAXMI BIJJUR

Partner

Membership No:247113




K.M.MAMMEN

Director

DIN:00020202



ARUN MAMMEN

Director

DIN:00018558

Chennai, Dated 06th May 2026

**MRF CORP LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2026**

		(Rupees in Crores)	
	Note	YEAR ENDED 31 MARCH 2026	YEAR ENDED 31 MARCH 2025
<b>INCOME</b>			
Revenue from Operations	18	485.87	475.63
Other Income	19	2.84	0.67
<b>TOTAL INCOME</b>		<b>488.71</b>	<b>476.30</b>
<b>EXPENSES</b>			
Cost of materials consumed	20	219.76	234.34
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	21	2.60	10.86
Employee Benefits expense	22	49.59	48.62
Finance Costs	23	0.01	0.98
Depreciation and Amortisation expense	2 (a) & (c)	6.16	6.03
Other Expenses	24	160.39	154.68
<b>TOTAL EXPENSES</b>		<b>438.51</b>	<b>455.51</b>
<b>PROFIT/ (LOSS) BEFORE TAX</b>		<b>50.20</b>	<b>20.79</b>
<b>TAX EXPENSE</b>			
Current Tax		11.76	4.35
Deferred Tax		1.08	0.97
Prior Years Tax		0.03	(0.37)
<b>TOTAL TAX EXPENSE</b>		<b>12.87</b>	<b>4.95</b>
<b>PROFIT/ (LOSS) FOR THE YEAR</b>		<b>37.33</b>	<b>15.84</b>

# MRF CORP LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2026

		(Rupees in Crores)	
	Note	YEAR ENDED 31 MARCH 2026	YEAR ENDED 31 MARCH 2025
<b>OTHER COMPREHENSIVE INCOME(OCI)</b>			
Items that will not be reclassified to Profit or Loss			
Remeasurements of Defined benefit plans		3.29	(0.31)
Income Tax relating to items that will not be reclassified to Profit or Loss		(0.66)	0.08
<b>TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>		<b>2.63</b>	<b>(0.23)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>39.96</b>	<b>15.61</b>
<b>EARNINGS PER EQUITY SHARE (in Rupees)</b>			
Basic		7,975	3,117
Diluted		7,975	3,117

### Significant Accounting Policies

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 S.G.KESHAVAMURTHY & Co.,

Chartered Accountants

FRN: 001779S

  
MAHALAXMI BIJJUR

Partner

Membership No:247113



  
K.M.MAMMEN  
Director  
DIN:00020202

  
ARUN MAMMEN  
Director  
DIN:00018558

Chennai, Dated 06th May 2026

**MRF CORP LIMITED**

**STATEMENT OF CHANGES IN EQUITY (SOCE) FOR THE YEAR ENDED 31 MARCH 2025**

(Rupees in Crores)

EQUITY SHARE CAPITAL	Number	As at	As at
		31 MARCH 2026	31 MARCH 2025
		Amount	Amount
Authorised Share Capital	5000000	5.00	5.00
Issued Share Capital	50100	0.05	0.05
Subscribed Share Capital	50100	0.05	0.05
Fully Paid-up Share Capital	50100	0.05	0.05
<b>Balance at the beginning of the year</b>	50100	0.05	0.05
Changes in equity share capital due to prior period errors	-	-	-
Restated balance at the beginning of the reporting year	-	-	-
Changes in equity share capital during the year	-	-	-
<b>Balance at the end of the reporting year</b>	50100	0.05	0.05

**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 Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend 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.

Shares in the Company held by each shareholder holding more than five percent shares	As at		As at	
	31 MARCH 2026		31 MARCH 2025	
	No.	%	No.	%
Entire Capital is held by MRF LIMITED(100%) - Holding Company	50100	100.00%	50100	100.00%

**MRF CORP LIMITED**

**STATEMENT OF CHANGES IN EQUITY (SOCE) FOR THE YEAR ENDED 31 MARCH 2025**

				(Rupees in Crores)
OTHER EQUITY	Reserves and Surplus			TOTAL
	General Reserve	Remeasurements of Defined Benefit Plans	Retained Earnings	
<b>Balance at the end of the reporting year ending 31st March 2024</b>	<b>4.18</b>	<b>0.35</b>	<b>159.10</b>	<b>163.63</b>
Changes in Accounting Policy or Correction of Prior Period Errors	-	-	-	-
Restated balance as at 1st April 2024	4.18	0.35	159.10	163.63
Profit for the reporting year ending 31st March 2025	-	-	15.84	15.84
Other Comprehensive (Loss) / Income *	-	(0.23)	-	(0.23)
<b>Total Comprehensive Income for the Reporting year</b>	<b>-</b>	<b>(0.23)</b>	<b>15.84</b>	<b>15.61</b>
<b>Transactions with owners in their capacity as owners:</b>				
Dividends	-	-	-	-
- Interim Dividends	-	-	-	-
- Final Dividend (Rs. 20 per share)	-	-	(0.10)	(0.10)
Other adjustment	-	-	-	-
Transfer to General Reserve	-	-	-	-
Transfer (from)/to Debenture Redemption Reserve	-	-	-	-
<b>Balance at the end of the reporting year ending 31st March 2025</b>	<b>4.18</b>	<b>0.12</b>	<b>174.84</b>	<b>179.14</b>
Changes in Accounting Policy or Correction of Prior Period Errors	-	-	-	-
Restated balance as at 1st April 2025	4.18	0.12	174.84	179.14
Profit for the reporting year ending 31st March 2026	-	-	39.96	39.96
Other Comprehensive (Loss) / Income *	-	-	-	-
<b>Total Comprehensive Income for the Reporting year</b>	<b>-</b>	<b>-</b>	<b>39.96</b>	<b>39.96</b>
<b>Transactions with owners in their capacity as owners:</b>				
Dividends	-	-	-	-
- Interim Dividends	-	-	-	-
- Final Dividend (Rs. 20 per share)	-	-	(0.10)	(0.10)
Other adjustment	-	-	-	-
Transfer to General Reserve	-	-	-	-
Transfer (from)/to Debenture Redemption Reserve	-	-	-	-
<b>Balance at the end of the reporting year ending 31st March 2026</b>	<b>4.18</b>	<b>0.12</b>	<b>214.70</b>	<b>219.00</b>

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

For S.G.KESHAVAMURTHY & Co.

Chartered Accountants,

FRN : 001779S

MAHALAXMI BIJJUR

Partner

Membership No:247113

Chennai, Dated 06th May 2026



*K.M.Mammen*

K.M.MAMMEN  
Director  
DIN:00020202

*Arun Mammen*

ARUN MAMMEN  
Director  
DIN:00018558

**MRF CORP LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2026**

(Rupees in Crores)

	YEAR ENDED 31 March 2026		YEAR ENDED 31 March 2025	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
NET PROFIT BEFORE TAX		50.20		20.79
Adjustment for :				
Depreciation	6.16		6.03	
Loss / (Gain) on Sale / Disposal of Property Plant and Equipment	0.76		0.79	
Finance Cost	0.01		0.98	
Dividend Income	-		-	
Fair Value changes in Investments	(2.02)		(0.09)	
Fair Value changes in Financial Instruments	0.09		0.19	
Other Adjustments	1.28	6.28	1.58	9.48
<b>OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES</b>		<b>56.48</b>		<b>30.27</b>
Trade receivables	3.63		(0.06)	
Other receivables	(0.21)		10.48	
Inventories	7.82		19.62	
Other Current Assets	0.08		(0.20)	
Trade Payable and Provisions	2.89		(23.53)	
Other liabilities	1.16	15.37	0.28	6.59
<b>CASH GENERATED FROM OPERATIONS</b>		<b>71.85</b>		<b>36.86</b>
Direct Taxes paid		(11.18)		(5.14)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>60.67</b>		<b>31.72</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Property Plant and Equipment	(4.59)		(9.24)	
Proceeds from sale of Property Plant and Equipment	0.01		0.31	
Purchase of Investments	(59.26)		(10.00)	
Fixed Deposits made with Banks	(0.14)			
Loans (Financial assets) given	(0.03)		0.02	
Interest Income	-		-	
Dividend income	-		-	
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(64.01)</b>		<b>(18.91)</b>

**MRF CORP LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2026**

(Rupees in Crores)

	YEAR ENDED 31 March 2026	YEAR ENDED 31 March 2025
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
(Repayments) / Proceeds from Working Capital Facilities (Net)	-	(14.09)
Interest paid	(0.01)	(0.98)
Dividend	(0.10)	(0.10)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(0.11)</b>	<b>(15.17)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(3.46)</b>	<b>(2.36)</b>
CASH AND CASH EQUIVALENTS AS AT 31ST MARCH, 2025	7.14	9.50
CASH AND CASH EQUIVALENTS AS AT 31ST MARCH, 2026	3.69	7.14

Refer Note 9

Note to Cash Flow Statement:

1. The above Cash Flow Statement has been prepared under the Indirect Method.

<b>2.Reconciliation of Financing Liabilities</b>	31.03.2026	31.03.2025
Opening Balance	2.99	2.98
Other Changes	0.77	0.01
Closing Balance	<b>3.76</b>	<b>2.99</b>

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

For S.G.KESHAVAMURTHY & Co.,

Chartered Accountants,

FRN : 0017795

MAHALAXMI BIJJUR

Partner

Membership No:247113



*K.M.Mammen*

K.M.MAMMEN

Director

DIN:00020202

*Arun Mammen*

ARUN MAMMEN

Director

DIN:00018558

Chennai, Dated 06th May 2026

**MRF CORP LIMITED**  
NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2026

(Rupees in Crores)

Note 2 (c) :

**NOTE 2 (a): PROPERTY, PLANT AND EQUIPMENT**

Particulars	Land		Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Other Assets	Total	Computer Software
	Freehold	Leased									
<b>Gross Block</b>											
Carrying Value as at 31 MARCH 2022	2.23	-	25.83	28.10	2.43	0.75	0.45	1.34	5.95	67.08	0.10
Additions	-	-	1.23	14.27	0.21	0.19	0.07	0.15	0.68	16.80	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Carrying Value as at 31 MARCH 2023	2.23	-	27.06	42.37	2.64	0.94	0.52	1.49	6.63	83.88	0.10
Additions	-	-	0.04	1.43	0.89	0.19	0.19	0.21	2.25	5.20	0.66
Disposals	-	-	-	-	-	-	-	-	-	-	-
Carrying Value as at 31 MARCH 2024	2.23	-	27.10	43.80	3.53	1.13	0.71	1.70	8.88	89.08	0.76
Additions	-	-	6.93	17.52	1.35	0.11	0.28	0.22	3.43	29.84	0.31
Disposals	-	-	(0.06)	(1.75)	(0.99)	-	-	-	(0.06)	(1.96)	-
Carrying Value as at 31 MARCH 2025	2.23	-	33.97	59.57	4.79	1.24	0.99	1.92	12.25	116.96	1.07
Additions	-	-	1.28	2.91	0.32	-	0.21	0.15	0.98	5.85	0.85
Disposals	-	-	(0.24)	(1.35)	(0.25)	-	(0.02)	-	(1.08)	(2.94)	-
Carrying Value as at 31 MARCH 2026	2.23	-	35.01	61.13	4.86	1.24	1.18	2.07	12.15	119.67	1.92
<b>Depreciation Block</b>											
Accumulated depreciation / Amortisation as at the 31 MARCH 2022	-	-	1.12	6.98	1.63	0.52	0.36	0.63	2.71	13.95	0.09
Depreciation / Amortisation for the year	-	-	0.85	2.26	0.27	0.07	0.03	0.32	0.54	4.34	0.004
Disposals	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation / Amortisation as at the 31 MARCH 2023	-	-	1.97	9.24	1.90	0.59	0.39	0.95	3.25	18.29	0.09
Depreciation / Amortisation for the year	-	-	0.86	2.49	0.35	0.10	0.05	0.36	0.60	4.81	0.05
Disposals	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation / Amortisation as at the 31 MARCH 2024	-	-	2.83	11.73	2.25	0.69	0.44	1.31	3.85	23.10	0.14
Depreciation / Amortisation for the year	-	-	1.03	2.83	0.56	0.12	0.10	0.29	0.91	5.87	0.16
Disposals	-	-	(0.02)	(0.70)	(0.09)	-	-	-	(0.05)	(0.86)	-
Accumulated depreciation / Amortisation as at the 31 MARCH 2025	-	-	3.84	13.86	2.72	0.81	0.54	1.60	4.74	28.11	0.30
Depreciation / Amortisation for the year	-	-	1.10	2.57	0.66	0.12	0.17	0.18	1.08	5.88	0.28
Disposals	-	-	(0.10)	(0.73)	(0.25)	-	-	(0.02)	(1.08)	(2.18)	-
Accumulated depreciation / Amortisation as at the 31 MARCH 2026	-	-	4.84	15.70	3.13	0.93	0.71	1.76	4.74	31.81	0.58
<b>Net Block</b>											
As at 31 MARCH 2025	2.23	-	30.13	45.71	2.07	0.43	0.45	0.32	7.51	88.85	0.76
As at 31 MARCH 2026	2.23	-	30.17	45.43	1.73	0.31	0.47	0.31	7.41	88.06	1.33

**Note 2 (b). Capital Work-in-Progress**

As at 31 MARCH 2025	2.10
As at 31 MARCH 2026	1.23

**MRF CORP LIMITED**

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2026

(Rupees in Crores.)

Movement in Capital Work-In-Progress (CWIP)	As at 31.03.2026	As at 31.03.2025
Opening Balance	2.10	22.02
Add: Addition	5.83	10.22
Less: Capitaliation	(6.70)	(30.14)
Closing Balance	1.23	2.10

Capital Work-in-Progress schedule as at 31.03.2026

(Rupees in 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*	1.20	0.03	-	-	1.23
	(1.02)	(0.82)	(0.26)	-	(2.10)
Projects temporarily suspended	-	-	-	-	-
	-	-	-	-	-

**MRF CORP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2026**

**NOTE 4**

**LOANS (Unsecured, considered good)**

**(Rupees in Crores)**

	Non-Current		Current	
	As at 31 MARCH 2026	As at 31 MARCH 2025	As at 31 MARCH 2026	As at 31 MARCH 2025
Loans to employees	0.08	0.06	0.04	0.03
<b>Total</b>	<b>0.08</b>	<b>0.06</b>	<b>0.04</b>	<b>0.03</b>

**NOTE 5**

**OTHER FINANCIAL ASSETS**

**(Rupees in Crores)**

	Non-Current		Current	
	As at 31 MARCH 2026	As at 31 MARCH 2025	As at 31 MARCH 2026	As at 31 MARCH 2025
Carried at Amortised Cost:				
Bank deposits with more than 12 months maturity	0.14	-	-	-
<b>Total</b>	<b>0.14</b>	<b>-</b>	<b>-</b>	<b>-</b>

**MRF CORP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2026**

**NOTE 3: INVESTMENTS**

Particulars	No. of Shares / Units			(Rupees in Crores)	
	Face Value Rs.	As at 31 MARCH 2026	As at 31 MARCH 2025	As at 31 MARCH 2026	As at 31 MARCH 2025
<b>Non-Current Investments</b>					
Fully Paid-up					
Quoted					
Equity Shares (at fair value through Profit or Loss )				1.02	0.85
<b>Total</b>				<u>1.02</u>	<u>0.85</u>
Aggregate Market Value of Quoted Investments				1.02	0.85
<b>Current Investments</b>					
Fully paid up -Unquoted					
In Mutual Fund Units: (at fair value through Profit or Loss )					
Income Plan: Growth Option				71.11	10.09
Aggregate Amount of Unquoted Investments				<u>71.11</u>	<u>10.09</u>

**MRF CORP LIMITED****NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2026****NOTE 6****OTHER ASSETS****(Rupees in Crores)**

	Non-Current		Current	
	As at 31 MARCH 2026	As at 31 MARCH 2025	As at 31 MARCH 2026	As at 31 MARCH 2025
Capital Advances	0.16	1.41		
Advances other than capital advances;				
Security Deposits	0.45	0.31	-	-
<b>Sub Total</b>	<b>0.61</b>	<b>1.72</b>	<b>-</b>	<b>-</b>
Others				
Balance with Statutory authorities	-	-	-	-
Advances recoverable in cash or kind	-	-	6.48	5.41
Prepaid Expenses	-	-	1.13	2.13
<b>Sub Total</b>	<b>-</b>	<b>-</b>	<b>7.61</b>	<b>7.54</b>
<b>Total</b>	<b>0.61</b>	<b>1.72</b>	<b>7.61</b>	<b>7.54</b>

**MRF CORP LIMITED**

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2026

## NOTE 7

INVENTORIES (Valued at lower of Cost and Net Realisable Value)

(Rupees in Crores)

	As at 31 MARCH 2026	As at 31 MARCH 2025
Raw Materials	26.20	32.56
Raw Materials in transit	1.64	1.74
Work-in-progress	0.99	1.98
Finished goods	42.72	44.38
Stock-in-trade	0.08	0.03
Stores and spares	8.04	6.80
<b>Total</b>	<b>79.67</b>	<b>87.49</b>

**MRF CORP LIMITED**

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2026

**NOTE 8**

**TRADE RECEIVABLES**

(Rupees in Crores)

	As at 31 MARCH 2026	As at 31 MARCH 2025
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good (Net of Impairment Adjustment)	64.22	69.13
Trade Receivables - credit impaired	3.42	2.69
Less: Impairment provision on Expected Credit Loss Model	(3.42)	(2.69)
<b>Total</b>	<b>64.22</b>	<b>69.13</b>

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 Receivable ageing schedule as at 31.03.2026**

Particulars	Outstanding for following periods from due date of payment					(Rupees in Crores)
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good*	54.42	11.08	1.28	0.66	0.20	67.64
	(57.06)	(13.65)	(0.81)	(0.23)	(0.07)	(71.82)
Undisputed Trade receivables – Credit Impaired*	-	1.28	1.28	0.66	0.20	3.42
		(1.58)	(0.81)	(0.23)	(0.07)	(2.69)
<b>Total</b>	54.42	9.80	-	-	-	64.22
	(57.06)	(12.07)	(0.00)	(0.00)	(0.00)	(69.13)

\*Figures in brackets are in respect of Previous year

**MRF CORP LIMITED**

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2026

**NOTE 9****CASH AND CASH EQUIVALENTS (as per Cash Flow Statement)****(Rupees in Crores)**

	As at 31 MARCH 2026	As at 31 MARCH 2025
Balances with Banks	3.67	7.11
Cash on hand	0.02	0.03
<b>Total</b>	<b>3.69</b>	<b>7.14</b>

**NOTE 10****BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS****(Rupees in Crores)**

	As at 31 MARCH 2026	As at 31 MARCH 2025
Deposits with original maturity of more than 3 months, but less than 12 months	-	-
Others:		
Unspent CSR Account	0.12	0.20
<b>Total</b>	<b>0.12</b>	<b>0.20</b>

**MRF CORP LIMITED**

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2026

**NOTE 12  
PROVISIONS**

	(Rupees in Crores)			
	Non-Current		Current	
	As at 31 MARCH 2026	As at 31 MARCH 2025	As at 31 MARCH 2026	As at 31 MARCH 2025
Provision for employee benefits	0.22	0.12	2.33	2.37
<b>Total</b>	<b>0.22</b>	<b>0.12</b>	<b>2.33</b>	<b>2.37</b>

**NOTE 13**

**DEFERRED TAX LIABILITIES - (NET)**

	(Rupees in Crores)			
	As at 31 MARCH 2026	As at 31 MARCH 2025	As at 31 MARCH 2026	As at 31 MARCH 2025
Deferred Tax Liabilities :				
- Arising on account of difference in carrying amount and tax base of PPE and Intangibles	5.12	4.27		
- Unrealised gain on FVTPL debt Mutual Funds	0.51	0.02		
<b>Total</b>	<b>5.63</b>	<b>4.29</b>	-	-
Deferred Tax Asset:				
- Accrued Expenses allowable on Actual Payments	(0.33)	(0.04)		
- Unrealised gain/(loss) on FVTPL Financial Instruments	(0.02)	(0.05)		
<b>Total</b>	<b>(0.35)</b>	<b>(0.09)</b>	-	-
MAT Credit			-	-
<b>Total</b>	<b>5.28</b>	<b>4.20</b>	-	-

**MRF CORP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2026**

**NOTE 14**

**OTHER LIABILITIES**

(Rupees in Crores)

	Non-Current		Current	
	As at 31 MARCH 2026	As at 31 MARCH 2025	As at 31 MARCH 2026	As at 31 MARCH 2025
Contract Liabilities	-	-	2.01	2.25
Others;				
Dealers' Security Deposit	-	-	2.92	2.92
Statutory Dues	-	-	2.65	2.12
Others	0.01	0.01	-	-
<b>Total</b>	<b>0.01</b>	<b>0.01</b>	<b>7.58</b>	<b>7.29</b>

During the year ended 31st March, 2026, the Company recognised revenue of Rs. 0.83 Crore as revenue from contracts with customers, the corresponding value for Previous year - Rs. 0.99 Crore.

**Movement of contract liabilities is as under**

	As at 31 MARCH 2026	As at 31 MARCH 2025
Balance as at beginning of the year	2.25	2.55
Recognised as revenue from contracts with customers	(0.83)	(0.99)
Advance from customers received during	0.59	0.69
<b>Balance at the close of the year</b>	<b>2.01</b>	<b>2.25</b>

**MRF CORP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2026**

**NOTE 15**

**TRADE PAYABLES**

		(Rupees in Crores)	
		As at 31 MARCH 2026	As at 31 MARCH 2025
Outstanding dues of Micro and Small Enterprises (Refer Note 12 of Notes to accounts)		7.33	9.19
Outstanding dues of Creditors other than Micro and Small Enterprises		71.73	70.23
<b>Total</b>		<b>79.06</b>	<b>79.42</b>

**Trade Payables ageing schedule as at 31.03.2026**

Particulars	Outstanding for following periods from due date of payment				(Rupees in Crores)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
					Total
(i) MSME	7.33				7.33
	(9.19)				(9.19)
(ii) Others*	68.21	-	3.38	0.14	71.73
	(63.42)	(5.95)	(0.00)	(0.86)	(70.23)
(iii) Disputed dues – MSME					
(iv) Disputed dues - Others					

\*Figures in brackets are in respect of Previous year

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**MRF CORP LIMITED**

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NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2026

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**NOTE 16****OTHER FINANCIAL LIABILITIES****(Rupees in Crores)**

	Current	
	As at 31 MARCH 2026	As at 31 MARCH 2025
Unclaimed matured deposits and interest accrued thereon		-
Others :		
Employee benefits	0.73	0.34
Liabilities for expenses	0.27	0.26
Others	2.76	2.39
<b>Total</b>	<b>3.76</b>	<b>2.99</b>

**MRF CORP LIMITED**

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2026

## NOTE 17

**CURRENT TAX LIABILITIES (NET)**

(Rupees in Crores)

	Current	
	As at 31 MARCH 2026	As at 31 MARCH 2023
Income Tax payable(Net of Adv. Tax/TDS)	1.64	0.37
	-	-
<b>Total</b>	<b>1.64</b>	<b>0.37</b>

**MRF CORP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2026**

**NOTE 18**

**REVENUE FROM CONTRACTS WITH CUSTOMERS :**

(Rupees in Crores)

	YEAR ENDED 31 MARCH 2026	YEAR ENDED 31 MARCH 2025
Revenue from Operations :		
Sale Of Goods	484.47	473.82
Other Operating Revenues:		
Scrap Sales	1.40	1.81
<b>Total</b>	<b>485.87</b>	<b>475.63</b>

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.

Reconciliation of revenue recognised with the contracted price is as follows:

(Rupees)

	YEAR ENDED 31 MARCH 2026	YEAR ENDED 31 MARCH 2025
Gross Sales (Contracted Price)	511.06	505.58
Reductions towards variable consideration (Product, Turnover and Prompt payment discount)	(25.19)	(29.95)
Claims preferred against obligation	-	-
<b>Revenue recognised</b>	<b>485.87</b>	<b>475.63</b>

**MRF CORP LIMITED****NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2026****NOTE 19****OTHER INCOME****(Rupees in Crores)**

	<b>YEAR ENDED 31 MARCH 2026</b>	<b>YEAR ENDED 31 MARCH 2025</b>
Dividend Income	-	-
Net gains on fair value changes on financial assets classified as FVTPL	2.02	0.09
Doubtful Debt provision written back	0.56	0.29
Miscellaneous Income	0.26	0.29
<b>Total</b>	<b>2.84</b>	<b>0.67</b>

**NOTE 20****COST OF MATERIALS CONSUMED****(Rupees in Crores)**

	<b>YEAR ENDED 31 MARCH 2026</b>	<b>YEAR ENDED 31 MARCH 2025</b>
Opening Stock of Raw Materials	34.30	42.45
Purchases during the year	213.30	226.19
Closing Stock of Raw Materials	(27.84)	(34.30)
<b>Total</b>	<b>219.76</b>	<b>234.34</b>

**MRF CORP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2026**

**NOTE 21**

**CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS**

(Rupees in Crores)

	YEAR ENDED 31 MARCH 2026	YEAR ENDED 31 MARCH 2025
Closing Stock:		
Finished Goods	42.72	44.38
Stock-in-Trade	0.08	0.03
Work-in-Progress	0.99	1.98
	<u>43.79</u>	<u>46.39</u>
Less: Opening Stock:		
Finished Goods	44.38	56.08
Stock-in-Trade	0.03	0.01
Work-in-Progress	1.98	1.16
	<u>46.39</u>	<u>57.25</u>
<b>Total</b>	<b>2.60</b>	<b>10.86</b>

**NOTE 22**

**EMPLOYEE BENEFITS EXPENSE**

(Rupees in Crores)

	YEAR ENDED 31 MARCH 2026	YEAR ENDED 31 MARCH 2025
Salaries and Wages	41.80	42.24
Contribution to provident and other funds	2.69	2.38
Staff welfare expenses	5.10	4.00
<b>Total</b>	<b>49.59</b>	<b>48.62</b>

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MRF CORP LIMITED

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NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2026

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NOTE 23

FINANCE COSTS

(Rupees)

	YEAR ENDED 31 MARCH 2026	YEAR ENDED 31 MARCH 2025
Interest on Loans	0.01	0.98
Total	0.01	0.98

MRF CORP LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2026

NOTE 24

OTHER EXPENSES

(Rupees in Crores)

	YEAR ENDED 31 MARCH 2026	YEAR ENDED 31 MARCH 2025
Stores and Spares Consumed	1.39	2.79
Power and Fuel	1.88	1.95
Processing Expenses	3.81	5.97
Rent	5.51	5.80
Rates and Taxes	0.68	0.67
Insurance	1.94	1.80
Printing and Stationery	0.23	0.20
Repairs and Renewals:		
Buildings	0.20	0.08
Plant and Machinery	0.39	0.93
Other Assets	1.43	1.44
Travelling and Conveyance	5.40	4.83
Communication Expenses	0.31	0.38
Vehicle Expenses	0.52	0.52
Auditors' Remuneration:		
As Auditors:		
Audit fee	0.01	0.01
Tax Audit fee	0.01	0.01
Other Services		
Reimbursement of Expenses	0.01	0.01
	<b>0.03</b>	<b>0.03</b>
Cost Auditors Remuneration:		
Audit fee		
Directors' Fees		
Directors' Travelling Expenses		
Advertisement	9.95	20.31
Sales Commission and Sales Promotion	85.50	59.62
Freight and Forwarding (Net)	20.12	28.02
Loss on Sale of Fixed Asset	0.76	0.79
Net Loss on fair value changes on financial assets classified as FVTPL	0.09	0.19
Corporate Social Responsibility Expenses	0.38	0.21
Bank Charges	0.12	0.13
Bad Debt (Impairment of Financial Assets)	1.28	1.58
Miscellaneous Expenses	18.47	16.44
<b>Total</b>	<b>160.39</b>	<b>154.68</b>

## **MRF Corp Limited**

### **Background and Significant Accounting Policies**

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#### **1) Background:**

MRF Corp Limited is a company limited by shares, incorporated and domiciled in India. The company is engaged in manufacturing of paints and thinners. The company operates through a network of exclusive and non-exclusive dealers.

#### **2) Material Accounting Policies under IND AS:**

This note provides a list of the material accounting policies adopted in the preparation of financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for MRF Corp Limited (the 'Company').

#### **2.1 BASIS OF PREPARATION:**

##### **(i) Compliance with Ind AS**

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

##### **(ii) Historical cost convention**

(a) The financial statements have been prepared on a historical cost basis, except for the following:

- (i) certain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value;
- (ii) assets held for sale – measured at fair value less cost to sell;
- (iii) defined benefit plans – plan assets measured at fair value;

#### **2.2 USE OF ESTIMATES:**

The preparation of financial statements require estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported period. Difference between the actual results and estimates are recognised in the period in which the results are known or materialise.

#### **2.3 SEGMENT REPORTING:**

The Company operates mainly in one business segment, i.e. Paints; accordingly sales and stock in trade represent paints.

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## **MRF Corp Limited**

### **Background and Significant Accounting Policies**

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#### **2.4 FOREIGN CURRENCY TRANSACTIONS:**

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 translate 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.

#### **2.5 REVENUE RECOGNITION:**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, GST, and amounts collected on behalf of third parties.

Revenue from contract with customers is recognised upon transfer of control of promised products or services to customer 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 recognised the liability based on its estimate of the customer's future purchases. The Company recognise changes in the estimated amounts of obligations for discounts in the period in which the change occurs. Revenue also excludes taxes from customers.

Exports are accounted at FOB value.

#### **2.6 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.

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## **MRF Corp Limited**

### **Background and Significant Accounting Policies**

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- 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 recognised for all taxable temporary differences. Deferred tax assets are 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.

#### **2.7 RESEARCH AND DEVELOPMENT:**

Revenue expenditure on Research and Development is charged to the Statement of Profit and Loss, the year in which it is incurred. Capital expenditure on Research and Development is included as additions to Fixed Assets.

#### **2.8 DIVIDEND:**

Under Ind AS, dividend to equity shareholders is recognized as liability in the period in which obligation to pay is established.

#### **2.9 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.
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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 contribution 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 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.

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## **MRF Corp Limited**

### **Background and Significant Accounting Policies**

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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.<sup>1</sup>

#### **2.10 LEASES:**

Lease payments under operating leases are recognised as expenses on straight line basis over the lease term in accordance with the period specified in respective agreements.

#### **2.11 IMPAIRMENT OF ASSETS:**

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

#### **2.12 CASH AND CASH EQUIVALENTS:**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, 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.

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## **MRF Corp Limited**

### **Background and Significant Accounting Policies**

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#### **2.13 INVENTORY:**

Inventory consisting of stores & spares, raw material, work-in-progress and finished goods are valued at lower of cost and net realisable value.

The cost is computed on FIFO basis and is net of credit under GST Laws.

Work-in-Progress and Finished Goods inventory include materials, labour cost and other related overheads.

#### **2.14 INVESTMENTS:**

Under Ind AS, investment in debt securities have been measured at fair value with changes in fair value accounted in other comprehensive income. All other investments other than Debt securities have been measured at fair value to profit and loss.

#### **2.15 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.

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for freehold land which is not amortised. 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 Profit and Loss with other income or other expense line item on net basis, respectively.

The depreciable amount of an asset is determined after deducting its residual value. 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. Given below are the estimated useful life for each class of property, plant and equipment

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**MRF Corp Limited**

**Background and Significant Accounting Policies**

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Description of the Asset	Estimated Useful life(On Single shift working)
<b>Tangible (Owned Assets) :</b>	
Building - Factory	30 Years
- Other than factory buildings	60 Years

Description of the Asset	Estimated Useful life(On Single shift working)
<b>Tangible (Owned Assets) :</b>	
Plant and Equipment	5-21 Years
Moulds	6 Years
Furniture and Fixtures	5 Years
Computers	3 Years
Office Equipment	5 Years
Other Assets, viz., Electrical Fittings, Fire Fighting/Other Equipments and Canteen Utensils	10 Years
Vehicles	5 Years
<b>Intangible(Owned Assets):</b>	
Software	5 Years

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## **MRF Corp Limited**

### **Background and Significant Accounting Policies**

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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.

Assets acquired/purchased costing less than Rupees five thousand have been depreciated at the rate of 100%.

Intangible Assets are amortised over 5 years commencing from the year in which the expenditure is incurred.

#### **2.16 BORROWING COSTS:**

Borrowing Costs that are attributable to the acquisition of or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to statement of profit and loss.

#### **2.17 PROVISIONS AND CONTINGENT LIABILITIES:**

A provision is recognised when there is a present obligation as a result of a past event where it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Contingent Liability is disclosed for

- (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
  - (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligations or reliable estimate of the amount of the obligation cannot be made. Contingent Assets are not recognised in the financial (subject to fair valuation assets as required by Ind AS) since this may result in the recognition of income that may never be realised.
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**MRF Corp Limited****Background and Significant Accounting Policies**

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**3. NOTE - OTHER ADDITIONAL INFORMATION.**

a) The Company has adopted as per IndAS 12 "Income Taxes"; and the net deferred tax liability amounting to Rs. 4,17,68,284/- pertaining to the current year has been recognized. Deferred Tax has been calculated @ 25.168% (Current year)

	<u>Current Year</u> <u>31/03/2026</u> (Rs.)	<u>Year ended</u> <u>31/03/2025</u> (Rs.)
<b>Liability:</b>		
Taxable Temporary Difference:		
Property, Plant, Equipment & Intangible	5,11,75,991	4,26,44,911
Unrealised Gain on FVTPL debt Mutual Funds	50,86,602	2,34,515
<b>Asset:</b>		
Deductible Temporary Difference:		
Expenses allowable on payment basis	(2,17,289)	(3,98,451)
Unrealised Loss on FVTPL Financial Instrument	(32,81,301)	(4,78,176)
Net Deferred Tax Liability	5,27,64,004	4,20,02,799

**4. RELATED PARTY DISCLOSURES:**

(i) Names of related parties and nature of relationship where control exists are as under:

Holding Company: **MRF Limited**

(ii) Transactions with related parties:

<u>Nature of transactions</u>	<u>Current Year</u> <u>31/03/2026</u> (Rs.)	<u>Year ended</u> <u>31/03/2025</u> (Rs.)
Sale of Finished Goods (Paints & Thinners)	<b>2,38,26,582</b>	<b>2,01,55,563</b>
Dividend Paid	<b>10,02,000</b>	<b>10,02,000</b>
Lease Rent paid	<b>17,64,000</b>	<b>16,77,000</b>
Expenditure reimbursed	<b>13,35,979</b>	<b>23,27,546</b>
<b>Outstanding:</b>		
Trade Receivable	<b>29,15,615</b>	<b>52,22,985</b>

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## MRF Corp Limited

### Background and Significant Accounting Policies

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#### 5. EMPLOYEE BENEFITS:

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss:

	<u>Current Year</u> <u>31/03/2026</u> (Rs.)	<u>Year ended</u> <u>31/03/2025</u> (Rs)
i) Employer's contribution to Provident Fund & Family Pension Fund	1,76,69,371	1,76,25,951
ii) Employer's contribution to Superannuation Fund * *(Included in 'Contribution to Provident and Other Funds')	86,54,982	54,59,903
iii) Leave Encashment – Unfunded	2,54,30,340	1,23,93,784
iv) Defined benefit obligation:		

a) The valuation results for the defined benefit gratuity plan as at 31/03/2026, are produced in the tables below:

i) Changes in the Present Value of Obligation:

<u>Particulars</u>	<u>Year Ended</u> <u>31.03.2026</u>	<u>Year Ended</u> <u>31.03.2025</u>
Present Value of Obligation as at the beginning	6,39,78,928	5,51,45,484
Defined benefit Cost included in P&L	2,31,89,110	1,01,09,871
Total Remeasurement included in OCI	(2,62,73,243)	23,39,897
Past Service Cost		
Benefits Paid	(22,52,008)	(36,16,324)
Present Value of the Obligation as at the end	5,86,42,787	6,39,78,928

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**MRF Corp Limited****Background and Significant Accounting Policies**

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## ii) Changes in the Fair Value of Plan Assets

<u>Particulars</u>	Year Ended <u>31.03.2026</u>	Year Ended <u>31.03.2025</u>
Fair Value of Plan Assets as at the beginning	-	-
Investment Income	-	-
Employer's Contribution	-	-
Benefits paid	-	-
Return on plan assets, excluding amount recognised in net interest expense	-	-
Fair Value of Plan Assets as at the end	-	-

## iii) Expenses Recognised in the Income Statement

<u>Particulars</u>	Year Ended <u>31.03.2026</u>	Year Ended <u>31.03.2025</u>
Current Service Cost	64,58,599	61,42,210
Past Service Cost	1,25,18,280	-
Net Interest Cost/Income on the Net Defined Benefit Liability/(Asset)	42,12,231	39,67,661
Expenses Recognised in the Income Statement	<u>2,31,89,110</u>	<u>1,01,09,871</u>

## iv) Other Comprehensive Income

<u>Particulars</u>	Year Ended <u>31.03.2026</u>	Year Ended <u>31.03.2025</u>
Actuarial (gains) / losses		
- Change in demographic assumption	3,87,638	-
- change in financial assumptions	(1,35,249)	17,98,384
- experience variance (i.e. Actual experience vs assumptions)	(2,65,25,632)	5,41,513
Return on plan assets, excluding amount recognised in net interest expense	-	-
Components of defined benefit costs recognised in other Comprehensive income	<u>(2,62,73,243)</u>	<u>23,39,897</u>

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## MRF Corp Limited

### Background and Significant Accounting Policies

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v) Major categories of Plan Assets (as percentage of Total Plan Assets)

	As at <u>31.03.2026</u>	As at <u>31.03.2025</u>
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 Ltd., Holding Company.

vi) Actuarial Assumptions

a. Financial Assumptions

The principal financial assumptions used in the valuation are shown in the table below:

	As at <u>31.03.2026</u>	As at <u>31.03.2025</u>
Discount rate (per annum)	6.95%	6.90%
Salary growth rate (per annum)	5.50%	5.50%

b. Demographic Assumptions

	As at <u>31.03.2026</u>	As at <u>31.03.2025</u>
Mortality Rate (% of IALM 12-147)	100%	100%
Withdrawal rates, based on age: (per annum)		
Up to 30 years	15.00%	3.00%
31 – 44 years	5.00%	2.00%
Above 44 years	5.00%	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.

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MRF Corp Limited

Background and Significant Accounting Policies

	As at <u>31.03.2026</u>	As at <u>31.03.2025</u>
Defined Benefit Obligation ( Base)	5,86,42,787	6,39,78,928

Defined Benefit Oligation	31.03.2026	31.03.2025
<b>Discount rate</b>		
a. Discount rate - 100 basis points	6,26,45,712	7,06,89,541
b. Discount rate + 100 basis points	5,51,46,796	5,82,78,665
<b>Salary increase rate</b>		
a. Rate - 100 basis points	5,53,24,543	5,81,50,729
b. Rate + 100 basis points	6,22,47,973	7,07,25,694

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.

Expected Contribution during the next annual reporting period	<u>31.03.2026</u>	<u>31.03.2025</u>
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The Company's best estimate of Contribution during the next year (Since the scheme is managed on funded basis, the next year contribution is taken as nil.)	--	--
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Maturity Profile of Defined Benefit Obligation

Weighted average duration( based on discounted cash flows)	10 years	10 years
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- Expected cash flows over the next (valued on undiscounted basis):

	<u>31.03.2026</u>
1 year	1,14,69,404
2 Year	1,09,17,135
3 Year	39,56,578
4 Year	49,05,750
5 Year	39,32,071
6 to 10 years	2,08,22,130

**6. Key Financial Ratio**

Key Financial Ratios	2025-26	2024-25	Change	Remarks
Current Ratio	2.40	1.96	22%	
Return on Equity (%)	20.06%	9.11%	120%	90% Change in PAT
Inventory Turnover Ratio	2.66	2.72	-2%	
Trade Receivables Turnover Ratio	7.29	6.81	7%	
Trade Payables Turnover Ratio	2.69	2.48	8%	
Net Capital Turnover Ratio	3.68	5.33	-31%	Decrease in working capital
Net Profit Margin (%)	8.22%	3.28%	150%	90% Change in PAT
Return on Capital Employed (%)	22.35%	11.86%	88%	90% Change in PAT
Return on Investment	15.92%	7.35%	117%	90% Change in PAT
Operating Profit Margin (%)	9.75%	4.43%	120%	90% Change in PAT
Return on Net Worth %	20.06%	9.11%	120%	90% Change in PAT

**8. Current Borrowings**

Working Capital Demand Loan from HDFC Bank are secured by hypothecation of Inventories and book debts, equivalent to the outstanding amount and carries interest rate at the rate of 7.71% to 8.12% (Previous year – 7.71% to 8.12%)

The monthly returns filed by the Company with HDFC Bank, against borrowing on the basis of security of current asset, are in agreement with the book of account and there are no material discrepancies.

This Borrowing has been completely repaid during the financial year 2025-2026 (Feb 2026)

**9. 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 preceding three financial years on corporate social responsibility (CSR) Activities, which for the financial year ended 31<sup>st</sup> March 2026 amounts to Rs. 0.46 crore (Previous Year Rs. 0.46 crore). A CSR committee has been formed by the Company as per the Act. During the Financial Year ended 31<sup>st</sup> March 2026, the company has incurred an amount of Rs. 0.38 crore.

## MRF Corp Limited

### Background and Significant Accounting Policies

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Amount spent during the year on:

<u>Particulars</u>	<u>31.03.2026</u>	<u>31.03.2025</u> (Rs.)
1) Amount required to be spent by the company during the year	46,13,546	46,07,994
2) Amount of expenditure incurred on:		
(i) Construction/acquisition of any asset	-	-
(ii) On Purposes other than (i) above (Advance)	14,31,506	9,03,973
3) Shortfall at the end of the year	31,82,040	37,04,021
4) Total of Previous years shortfall	-	-
5) Reason for shortfall	.*	.*
6) Nature of CSR Activities	.**	.**
7) Details of related party transaction in relation to CSR expenditure	-	-

\* The shortfall in CSR expenditure was on account of delay in implementation of projects and the project duration extending beyond one financial year as per their original schedule of implementation. The shortfall is transferred to unspent CSR Account on 25<sup>th</sup> April 2026 (Previous year 25<sup>th</sup> April 2026). The amount spent, during the year, out of the shortfall at end of the previous year is Rs. 25,93,534/-

\*\* Promotion of Education, Rural Development Projects, Livelihood Enhancement, Vocational Skill Development.

#### 10. Earning Per Share (Basic and Diluted)

<u>Particulars</u>		<u>31.03.2026</u>	<u>31.03.2025</u>
Profit after taxation after Exceptional item	Rs. Crores	39.96	15.61
Profit after taxation before Exceptional item	Rs. Crores	39.96	15.61
Number of equity share (Face Value Rs.10/-)	Nos.	50,100	50,100
Earning per share after Exceptional item	Rs.	7,975	3,117
Earning per share before Exceptional item	Rs.	7,875	3,117

#### 11. Expenditure in Foreign Currency Paid or Payable by the Company.

<u>Particulars</u>		<u>31.03.2026</u>	<u>31.03.2025</u>
Raw Material	Rs. Crores	15.91	15.21

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**MRF Corp Limited**

**Background and Significant Accounting Policies**

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**12. 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:

	Rs. Crores	<u>31.03.2026</u>	<u>31.03.2025</u>
(i) Principal amounts remaining unpaid to suppliers as at the end of the accounting year		7.33	9.19
(ii) Interest accrued and due to suppliers on above amount, unpaid		-	-
(iii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006, along with the amount of the payment made to supplier beyond the appointed day during the accounting period.		-	-
(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		-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year.		-	-
(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 enterprises for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006		-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This had been relied upon by the auditors

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**MRF Corp Limited**

**Background and Significant Accounting Policies**

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13. The Current year and Previous year figures have been shown as Rupees in Crores.

14. Previous year figures have been re-grouped wherever considered necessary.

**15. Other Statutory Information**

(i) The Company does not have any Benami property nor any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) 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

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding(whether recorded in writing or otherwise) that the Company shall :

(a) 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

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vii) The Company has not recorded any transaction in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

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**MRF Corp Limited**

**Background and Significant Accounting Policies**

(viii) The Company has not been declared a wilful defaulter by any bank or financial institution or any of the lenders.

(ix) The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

Vide our Report of even date  
For S.G.KESHAVAMURTHY & Co.,  
Chartered Accountants  
FRN: 001779S

  
MAHALAXMI BIJJUR  
Partner  
Membership No: 247113

  
K.M.MAMMEN  
Director  
DIN:00020202

  
ARUN MAMMEN  
Director  
DIN:00018558

Place: Chennai  
Dated: 06<sup>th</sup> May, 2026

