

S.G.Keshavamurthy & Co.

Chartered Accountants

GSTIN : 29AACFS8607F1Z1

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 31st March 2022, 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 2022;
- (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.

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

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



Auditor's Responsibilities for the Audit of the 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 in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with 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. 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;
 - v. 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
 - vi. 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) contain any material mis-statement.
 - vii. In our opinion, the dividend declared or paid during the year by company is in compliance with section 123 of the Companies Act, 2013.



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

S K Nagachandra

S K Nagachandra
Partner



Place: Chennai
Date: 09-05-2022

Membership Number: 022961
UDIN: 22022961AIQYAV2722



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, 2022 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.

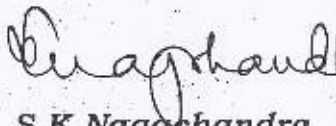
Auditor's Responsibility

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.



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



S K Nagachandra
Partner

Membership Number: 022961
UDIN: 22022961AIQYAV2722



Place: Chennai
Date: 09-05-2022

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

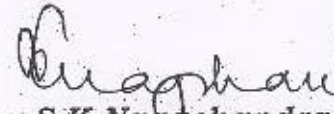
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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, 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 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


S K Nagachandra
Partner



Place: Chennai
Date: 09-05-2022

Membership Number: 022961
UDIN: 22022961AIQYAV2722

S.G.Keshavamurthy & Co.

Chartered Accountants

GSTIN : 29AACFS8607F1Z1



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 fixed assets of both tangible and intangible assets.

(b) The Company has a program of verification to cover all the items of fixed assets 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 the 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, 2022.
- 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. As informed to us there are no undisputed amounts payable in respect of Provident Fund, ESI, Income Tax, Sales tax, Service tax, Goods & Service tax, Value added Tax, duty of custom, duty of excise, cess and other statutory dues which were outstanding as at 31 March 2022 for a period of more than six months from the date on which the same became payable.
- 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. 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.

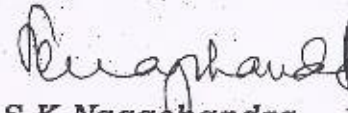


- x. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (x) of the Order is not applicable to the Company.
- xi. To the best of our knowledge and according to the information and explanations 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.
- 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.



xi: The question of reporting on qualifications by the auditors in CARO does not arise as ours is a standalone financial statements with standalone auditors report and that we are not preparing consolidated financial statements.

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



S K Nagachandra
Partner



Place: Chennai
Date: 09-05-2022

Membership Number: 022961
UDIN22022961AIQYAV2722

MRF CORP LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2022

		(Rupees in Crores)	
	Note	As at 31 MARCH 2022	As at 31 MARCH 2021
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2 (a)	59.13	47.07
Capital Work-in-Progress	2 (b)	7.26	1.22
Other Intangible Assets	2 (c)	0.01	0.01
Financial Assets			
- Investments	3	1.14	1.03
- Loans	4	0.13	0.03
- Other financial assets	5	0.05	0.05
Other non-current assets	6	1.64	1.06
Current Assets			
Inventories	7	67.00	56.29
Financial Assets			
- Investments	3	11.75	18.42
- Trade Receivables	8	55.60	33.07
- Cash and cash equivalents	9	3.60	10.46
- Loans	4	-	-
- Other financial assets	5	-	-
Other current assets	6	7.78	8.94
TOTAL ASSETS		209.09	177.70
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	SOCE	0.05	0.05
Other Equity	SOCE	126.74	112.27
Total Equity		126.79	112.32

MRF CORP LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2022

	Note	As at 31 MARCH 2022	As at 31 MARCH 2021
(Rupees in Crores)			
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Provisions	12	-	-
Deferred Tax Liabilities (Net)	13	1.72	1.16
Other non-current liabilities	14	-	-
Current Liabilities			
Financial Liabilities			
- Trade Payables			
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	15	68.67	54.42
- Other Financial Liabilities	16	3.36	2.34
Other Current Liabilities	14	4.79	4.72
Provisions	12	0.74	-
Current Tax Liabilities (Net)		3.02	2.74
Total Liabilities		82.30	65.38
TOTAL EQUITY AND LIABILITIES		209.09	177.70

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: 0017795


S.K. JAGACHANDRAN

Partner

Membership No: 22361

Chennai, Dated 09th May 2022


K.M. MAMMEN

Director

DIN: 00020202


ARUN MAMMEN

Director

DIN: 00018558

MRF CORP LIMITED

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

	Note	YEAR ENDED 31 MARCH 2022	YEAR ENDED 31 MARCH 2021
(Rupees in Crores)			
INCOME			
Revenue from Operations	17	318.16	232.70
Other Income	18	1.31	1.03
TOTAL INCOME		319.47	233.73
EXPENSES			
Cost of materials consumed	19	194.23	121.67
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	20	(11.68)	(4.27)
Employee Benefits expense	21	26.34	23.22
Depreciation and Amortisation expense	2 (a) & (c)	3.50	3.62
Other Expenses	23	86.38	64.05
TOTAL EXPENSES		298.77	208.30
PROFIT/(LOSS) BEFORE TAX		20.70	25.43
TAX EXPENSE			
Current Tax		5.50	6.60
Deferred Tax		0.56	0.17
TOTAL TAX EXPENSE		6.06	6.77
PROFIT/(LOSS) FOR THE YEAR		14.64	18.66

MRF CORP LIMITED

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

	Note	(Rupees in Crores)	
		YEAR ENDED 31 MARCH 2022	YEAR ENDED 31 MARCH 2021
OTHER COMPREHENSIVE INCOME(OCI)			
Items that will not be reclassified to Profit or Loss			
Remeasurements of Defined benefit plans		(0.09)	0.59
Income Tax relating to items that will not be reclassified to Profit or Loss		0.02	(0.15)
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		(0.07)	0.44
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		14.57	19.10
EARNINGS PER EQUITY SHARE (in Rupees)			
Basic		2.907	3.812
Diluted		2.907	3.812

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,

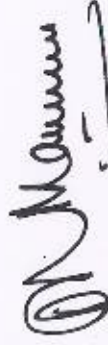
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S.K.NAGACHANDRA

Partner

Membership No.22961

Chennai, Dated 9th May 2022


K.M.MAMMEN

Director

DIN:00020702


ARUN MAMMEN

Director

DIN:00018558

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

(Rupees in Crores)

	YEAR ENDED 31 March 2022	YEAR ENDED 31 March 2021
A. CASH FLOW FROM OPERATING ACTIVITIES:		
NET PROFIT BEFORE TAX	20.70	25.43
Adjustment for :		
Depreciation	3.50	3.62
Interest Income	(0.44)	(0.21)
Dividend Income	(0.01)	(0.002)
Fair Value changes in Investments	(0.55)	(0.30)
Fair Value changes in Financial Instruments	(0.06)	(0.38)
Other Adjustments	0.12	0.34
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	23.26	28.50
Trade receivables	(22.65)	9.07
Other receivables	1.16	(0.23)
Inventories	(10.71)	(5.02)
Trade Payable and Provisions	14.90	(4.69)
Other liabilities	1.09	0.71
CASH GENERATED FROM OPERATIONS	(16.21)	(0.16)
Direct Taxes paid	7.05	28.34
NET CASH FROM OPERATING ACTIVITIES	(5.20)	(5.83)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property Plant and Equipment	(16.19)	(18.30)
(Purchase of Investments)/Sale of Investment	-	(23.12)
Proceeds from sale of Investments	7.23	5.10
Fixed Deposits with Banks matured	-	0.01
Loans (Financial assets) given	(0.10)	0.01
Interest Income	0.44	0.21
Dividend income	0.01	0.002
NET CASH USED IN INVESTING ACTIVITIES	(8.61)	(36.09)

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

	YEAR ENDED 31 March 2022	YEAR ENDED 31 March 2021
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend	(0.10)	(0.10)
NET CASH FROM FINANCING ACTIVITIES	(0.10)	(0.10)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(6.86)	(13.68)
CASH AND CASH EQUIVALENTS AS AT 31ST MARCH, 2021	10.46	24.14
CASH AND CASH EQUIVALENTS AS AT 31ST MARCH, 2022	3.60	10.46

Refer Note 9

Note to Cash Flow Statement:

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

2. Reconciliation of Financing Liabilities

	31.03.2022	31.03.2021
Opening Balance	2.34	1.76
Other Changes	1.02	0.58
Closing Balance	3.36	2.34

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

For S.G.KESHAVAMURTHY & Co.,

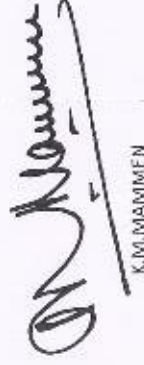
Chartered Accountants,

FRN : 0017795


 S.K.NAGACHANDRA
 Partner

Membership No:22961

Chennai, Dated 9th May 2022


 K.M.MAMMEN
 Director
 DIN:00020202


 ARUN MAMMEN
 Director
 DIN:00018558

MRF CORP LIMITED

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

	(Rupees in Crores)		As at	
	31 MARCH 2022	Amount	31 MARCH 2021	Amount
EQUITY SHARE CAPITAL				
Authorized Share Capital	5000000	5.00		5.00
Issued Share Capital	50000	0.05		0.05
Subscribed Share Capital	50000	0.05		0.05
Fully Paid-up Share Capital	50000	0.05		0.05
Balance at the beginning of the year	50000	0.05		0.05
Changes in equity share capital due to prior period errors	-	-		-
Resisted balances at the beginning of the reporting year	-	-		-
Changes in equity share capital during the year	-	-		-
Balance at the end of the reporting year	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.

	As at		As at	
	31 MARCH 2022	%	31 MARCH 2021	%
Shares in the Company held by each shareholder holding more than five percent shares	50100	100.00%	50100	100.00%
Entire Capital is held by MRF LIMITED(100%) - Holding Company				

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

OTHER EQUITY	Reserves and Surplus		TOTAL
	General Reserve	Remeasurements of Defined Benefit Plans	
Balance at the beginning of the comparative reporting year - 1st April 2020	4.18	0.19	88.90
Changes in Accounting Policy or Correction of Prior Period Errors	-	-	-
Restated balance as at 1st April 2020	4.18	0.19	88.90
Profit for the Comparative Year ending 31st March 2021	-	-	18.66
Other Comprehensive (Loss) / Income for the Year ending 31st March 2021 *	-	0.44	0.44
Total Comprehensive Income for the Comparative year	-	0.44	19.10
Transactions with owners in their capacity as owners:			
Dividends	-	-	-
- Final Dividend (Rs. 20 per share)	-	-	(0.10)
Balance at the beginning of the reporting year	4.18	0.63	107.46
Changes in Accounting Policy or Correction of Prior Period Errors	-	-	-
Restated balance as at 1st April 2021	4.18	0.63	107.46
Profit for the reporting year ending 31st March 2022	-	-	14.64
Other Comprehensive (Loss) / Income *	-	(0.07)	(0.07)
Total Comprehensive Income for the Reporting year	-	(0.07)	14.57
Transactions with owners in their capacity as owners:			
Dividends	-	-	-
- Final Dividend (Rs. 20 per share)	-	-	(0.10)
Balance at the end of the reporting year ending 31st March 2022	4.18	0.56	122.00

(Rupees in Crores)

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

For S.G.KESHAVAMURTHY & Co.,
Chartered Accountants,

ANN : 0017795


S.K. NAGACHANDRA
Partner

Membership No: 22961

Chennai, Dated 9th May 2022


K.M. MAMMEN
Director

DIN: 00020202


ARUN MAMMEN
Director

DIN: 00018558

NOTE 2 (a): PROPERTY, PLANT AND EQUIPMENT

INTANGIBLES

Particulars	Land		Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Other Assets	Total
	Freehold	Leased								
Gross Block										
Carrying Value as at 31 MARCH 2020	2.23	-	2.19	13.71	1.70	0.62	0.34	0.47	3.39	24.66
Additions	-	-	19.74	10.30	0.53	-	0.09	0.15	2.06	32.87
Disposals	-	-	-	-	-	-	-	-	-	-
Carrying Value as at 31 MARCH 2021	2.23	-	21.93	24.01	2.23	0.62	0.43	0.62	5.45	57.52
Additions	-	-	3.90	4.09	0.20	0.13	0.02	0.72	0.50	9.56
Disposals	-	-	-	-	-	-	-	-	-	-
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
Depreciation Block										
Accumulated depreciation / Amortisation as at the 31 March 2020	-	-	0.21	2.57	1.20	0.40	0.29	0.37	1.78	6.83
Depreciation / Amortisation for the year	-	-	0.78	2.66	0.19	0.06	0.04	0.37	0.42	3.62
Disposals	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation / Amortisation as at the 31 MARCH 2021	-	-	0.99	5.23	1.39	0.46	0.33	0.44	2.20	10.45
Depreciation / Amortisation for the year	-	-	0.72	1.75	0.24	0.06	0.02	0.19	0.50	3.50
Disposals	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation / Amortisation as at the 31 MARCH 2022	-	-	1.71	6.98	1.63	0.52	0.36	0.63	2.70	13.95
Net Block										
As at 31 MARCH 2021	2.23	-	21.54	18.78	0.84	0.16	0.10	0.18	3.25	47.07
As at 31 MARCH 2022	2.23	-	24.71	21.12	0.80	0.23	0.09	0.71	3.25	53.13

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

As at 31 MARCH 2021

As at 31 MARCH 2022

1.22

7.26

Capital Work-in-Progress schedule as at 31.03.2022 (Rupees in Crores.)

	Amount in CWIP for a period of			Total
	Less than 1 year	2-3 Years	More than 3 years	
CWIP				
Projects in progress*	6.54	0.72		7.26
	(0.91)	(0.05)	(0.26)	(1.22)

*Figures in brackets are in respect of Previous year

MRF CORP LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2022

NOTE 3: INVESTMENTS

Particulars	No. of Shares / Units		(Rupees in Crores)	
	Face Value Rs	As at 31 MARCH 2022	As at 31 MARCH 2021	As at 31 MARCH 2021
Non-Current Investments				
Fully Paid-up				
Quoted				
Equity Shares (at fair value through Profit or Loss)		1.14		1.08
Total		1.14		1.08
Aggregate Market Value of Quoted Investments				
		1.14		1.08
Current Investments				
Fully paid up - Unquoted				
In Mutual Fund Units: (at fair value through Profit or Loss)				
Income Plan: Growth Option		11.75		18.42
Aggregate Amount of Unquoted Investments		11.75		18.42

MRF CORP LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2022

NOTE 4
LOANS (Unsecured, considered good)

	(Rupees in Crores)			
	Non-Current		Current	
	As at 31 MARCH 2022	As at 31 MARCH 2021	As at 31 MARCH 2022	As at 31 MARCH 2021
Loans to employees	0.13	0.03	-	-
Total	0.13	0.03	-	-

NOTE 5
OTHER FINANCIAL ASSETS

	(Rupees in Crores)			
	Non-Current		Current	
	As at 31 MARCH 2022	As at 31 MARCH 2021	As at 31 MARCH 2022	As at 31 MARCH 2021
Bank deposits with more than 12 months maturity	0.05	0.05	-	-
Total	0.05	0.05	-	-

MRF CORP LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2022

NOTE 6

OTHER ASSETS

(Rupees in Crores)

	Non-Current		Current	
	As at 31 MARCH 2022	As at 31 MARCH 2021	As at 31 MARCH 2022	As at 31 MARCH 2021
Capital Advances	1.56	0.97		
Advances other than capital advances;				
Security Deposits	0.08	0.09	-	-
Sub Total	1.64	1.06	-	-
Others				
Balance with Statutory authorities	-	-	1.34	6.20
Advances recoverable in cash or kind	-	-	5.23	1.82
Prepaid Expenses	-	-	1.21	0.92
Sub Total	-	-	7.78	8.94
Total	1.64	1.06	7.78	8.94

MRF CORP LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2022

NOTE 7

INVENTORIES

	(Rupees in Crores)	
	As at 31 MARCH 2022	As at 31 MARCH 2021
Raw Materials	17.81	18.99
Work-in-progress	0.30	0.38
Finished goods	42.28	32.30
Stock-in-trade	5.98	4.20
Stores and spares	0.63	0.42
Total	67.00	56.29

MRF CORP LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2022

NOTE 8

TRADE RECEIVABLES

	(Rupees in Crores)	
	As at 31 MARCH 2022	As at 31 MARCH 2021
Trade receivables		
Secured, considered good		
Unsecured, considered good	55.60	33.07
Trade Receivables - credit impaired	0.77	0.79
Less: Impairment provision on Expected Credit Loss Model	(0.77)	(0.79)
Total	55.60	33.07

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 aging schedule as at 31.03.2022

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	
Undisputed Trade receivables — considered good*	51.89	3.71	-	-	-	55.60
	(32.82)	(0.25)	-	-	-	(33.07)

*Figures in brackets are in respect of Previous year

MRF CORP LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2022

NOTE 9

CASH AND CASH EQUIVALENTS (as per Cash Flow Statement)

(Rupees in Crores)

	As at 31 MARCH 2022	As at 31 MARCH 2021
Balances with Banks	3.58	10.44
Cash on hand	0.02	0.02
Total	3.60	10.46

MRF CORP LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2022

NOTE 12

PROVISIONS

	(Rupees in Crores)			
	Non-Current		Current	
	As at 31 MARCH 2022	As at 31 MARCH 2021	As at 31 MARCH 2022	As at 31 MARCH 2021
Provision for employee benefits	-	-	0.74	-
Total	-	-	0.74	-

NOTE 13

DEFERRED TAX LIABILITIES - (NET)

	(Rupees in Crores)			
	Non-Current		Current	
	As at 31 MARCH 2022	As at 31 MARCH 2021	As at 31 MARCH 2022	As at 31 MARCH 2021
Deferred Tax Liabilities :				
- Arising on account of difference in carrying amount and tax base of PPE and Intangibles	1.72	1.16	-	-
Total	1.72	1.16	-	-
Deferred Tax Asset:				
Total	-	-	-	-
Total	1.72	1.16	-	-

MRF CORP LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2022

NOTE 14

OTHER LIABILITIES

	(Rupees in Crores)			
	Non-Current		Current	
	As at 31 MARCH 2022	As at 31 MARCH 2021	As at 31 MARCH 2022	As at 31 MARCH 2021
Contract Liabilities	-	-	1.59	1.62
Others;				
Dealers' Security Deposit	-	-	2.76	2.59
Statutory Dues	-	-	0.43	0.50
Others	-	-	0.01	0.01
Total	-	-	4.79	4.72

MRF CORP LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2022

NOTE 15

TRADE PAYABLES

	(Rupees in Crores)	
	As at 31 MARCH 2022	As at 31 MARCH 2021
Outstanding dues of Creditors other than Micro and Small Enterprises	68.67	54.42
Total	68.67	54.42

Trade Payables aging schedule as at 31.03.2022

Particulars	Outstanding for following periods from due date of payment				Total	(Rupees in Crores)
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
(ii) Others*	67.21	1.39	0.04	0.03	68.67	
	(54.32)	(0.05)	(0.02)	(0.03)	(54.42)	

*Figures in brackets are in respect of Previous year

MRF CORP LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2022

NOTE 16

OTHER FINANCIAL LIABILITIES

	(Rupees in Crores)	
	As at 31 MARCH 2022	As at 31 MARCH 2021
Others :		
Employee benefits	0.18	0.26
Liabilities for expenses	1.14	0.25
Others	2.04	1.83
Total	3.36	2.34

MRF CORP LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2022

	(Rupees in Crores)	
	Current	
Current Tax Liabilities (Net)	As at 31 MARCH 2022	As at 31 MARCH 2021
Income Tax payable(Net of Adv. Tax/TDS)	3.02	2.74
Total	3.02	2.74

MRF CORP LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2022

NOTE 17

REVENUE FROM CONTRACTS WITH CUSTOMERS :

	(Rupees in Crores)	
	YEAR ENDED 31 MARCH 2022	YEAR ENDED 31 MARCH 2021
Revenue from Operations :		
Sale Of Goods (Refer note 27(f))	317.92	232.43
Other Operating Revenues:		
Scrap Sales	0.24	0.27
Total	318.16	232.70

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.

MRF CORP LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2022

NOTE 18

OTHER INCOME

	(Rupees in Crores)	
	YEAR ENDED 31 MARCH 2022	YEAR ENDED 31 MARCH 2021
Interest Income	0.44	0.21
Dividend Income	0.01	0.002
Net gain on sale of Investments classified as FVTPL	0.55	0.30
Net gains on fair value changes on financial assets classified as FVTPL	0.06	0.38
Doubtful Debt provision written back	0.13	-
Miscellaneous Income	0.12	0.14
Total	1.31	1.03

NOTE 19

COST OF MATERIALS CONSUMED

	(Rupees in Crores)	
	YEAR ENDED 31 MARCH 2022	YEAR ENDED 31 MARCH 2021
Opening Stock of Raw Materials	18.99	18.13
Purchases during the year	193.05	122.53
Closing Stock of Raw Materials	(17.81)	(18.99)
Total	194.23	121.67

MRF CORP LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2022

NOTE 20

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

	(Rupees in Crores)	
	YEAR ENDED 31 MARCH 2022	YEAR ENDED 31 MARCH 2021
Closing Stock:		
Finished Goods	42.28	32.29
Stock-in-Trade	5.98	4.21
Work-in-Progress	0.30	0.38
	48.56	36.88
Less: Opening Stock:		
Finished Goods	32.29	27.24
Stock-in-Trade	4.21	4.76
Work-in-Progress	0.38	0.61
	36.88	32.61
	(11.68)	(4.27)
Total		

NOTE 21

EMPLOYEE BENEFITS EXPENSE

	(Rupees in Crores)	
	YEAR ENDED 31 MARCH 2022	YEAR ENDED 31 MARCH 2021
Salaries and Wages	23.25	20.77
Contribution to provident and other funds	1.46	1.32
Staff welfare expenses	1.63	1.13
	26.34	23.22
Total		

MRF CORP LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2022

NOTE 23 OTHER EXPENSES	YEAR ENDED 31 MARCH 2022	YEAR ENDED 31 MARCH 2021
	(Rupees in Crores)	
Stores and Spares Consumed	1.25	1.13
Power and Fuel	0.60	0.44
Processing Expenses	4.44	4.10
Rent	3.25	2.59
Rates and Taxes	0.84	0.20
Insurance	1.20	0.72
Printing and Stationery	0.29	0.27
Repairs and Renewals:		
Buildings	0.05	0.06
Plant and Machinery	0.34	0.33
Other Assets	0.64	0.47
Travelling and Conveyance	2.02	1.27
Communication Expenses	0.35	0.22
Vehicle Expenses	0.33	0.28
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
Cost Auditors Remuneration:	0.03	0.03
Audit fee		
Directors' Fees		
Directors' Travelling Expenses	26.96	14.29
Advertisement	0.05	0.01
Sales tax absorbed by the company	16.89	17.55
Commission	18.98	15.38
Freight and Forwarding (Net)	0.41	0.02
Corporate Social Responsibility Expenses	0.09	0.06
Bank Charges	0.12	0.34
Provision for Impairment of Financial Assets	7.25	4.30
Miscellaneous Expenses	86.38	64.06
Total		

MRF Corp Limited

Background and Significant Accounting Policies

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) Significant Accounting Policies:

This note provides a list of the significant 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.

MRF Corp Limited

Background and Significant Accounting Policies

2.4 FOREIGN CURRENCY TRANSACTIONS:

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction.

Monetary items, denominated in foreign currencies at the year end are re-stated at year end rates. In case of monetary items which are covered by forward exchange contracts, the difference between the yearend rate and the contracted rate is recognized as exchange difference. Premium paid on forward contracts has been recognized over the life of the contract. Non-monetary foreign currency items are carried at cost.

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.

Sale of goods and services are recognised when risks and rewards of ownership are passed on to the customers which generally coincide with delivery and when the services are rendered.

Exports are accounted at FOB value.

2.6 INCOME TAX:

Provision for Current Tax is made on the basis of estimated taxable income for the current accounting period and in accordance with the provisions of the Income Tax Act. 1961.

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:

The Company's contribution to the Provident Fund is remitted to a Trust established for this purpose based on fixed percentage of the eligible employees' salary and charged to the Statement of Profit and Loss. The company is liable for annual contributions and any shortfall in the fund assets, based on the Government specified minimum rate of return, and recognises such contributions and shortfall, if any, as an expense in the year incurred. The Company also contributes to Regional Provident Fund on behalf of some of its employees who are not part of the above Trust and such contributions are charged to the Statement of Profit and Loss.

The Company also contributes to a Government administered Pension Fund on behalf of its employees, which are charged to the Statement of Profit and Loss.

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.

Background and Significant Accounting Policies

i) Changes in the Present Value of Obligation:

<u>Particulars</u>	Year Ended <u>31.03.2022</u>	Year Ended <u>31.03.2021</u>
Present Value of Obligation as at the beginning	3,86,37,411	3,88,42,259
Current Service Cost	38,03,408	31,55,625
Interest Expense or Cost	26,25,486	26,39,405
Re-measurement (or Actuarial) (gain) / loss arising from:	-	-
- change in financial assumptions	(21,85,342)	-
- experience variance (i.e.Actual experience vs assumptions)	31,51,997	(59,99,878)
Past Service Cost	-	-
Benefits Paid	(22,46,428)	-
	-----	-----
Present Value of the Obligation as at the end	4,37,86,532	3,86,37,411

ii) Changes in the Fair Value of Plan Assets

<u>Particulars</u>	Year Ended <u>31.03.2022</u>	Year Ended <u>31.03.2021</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>31.03.2022</u>	Year Ended <u>31.03.2021</u>
Current Service Cost	38,03,408	31,55,625
Past Service Cost	-	-
Net Interest Cost/Income on the Net Defined Benefit Liability/(Asset)	26,25,486	26,39,405
	-----	-----
Expenses Recognised in the Income Statement	64,28,894	57,95,030

Background and Significant Accounting Policies

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.

	As at <u>31.03.2022</u>	As at <u>31.03.2021</u>
Defined Benefit Obligation (Base)	4,37,86,532	3,86,37,411

	31.03.2022		31.03.2021	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%) (% change compared to base due to sensitivity)	4,83,47,242 10.3%	3,98,72,251 -8.9%	4,29,36,304 11.0%	3,49,59,235 -9.5%
Salary Growth Rate (- / + 1%) (% change compared to base due to sensitivity)	3,97,70,126 -9.1%	4,83,90,287 10.4%	3,48,79,976 -9.7%	4,29,54,739 11.1%
Attrition Rate (- / + 50%) (% change compared to base due to sensitivity)	4,44,32,327 1.5%	4,32,14,740 -1.3%	3,92,57,058 1.6%	3,80,85,735 -1.5%
Mortality Rate (- / + 10%) (% change compared to base due to sensitivity)	4,33,79,946 -0.9%	4,41,90,060 0.9%	3,83,13,328 -0.8%	3,89,58,998 0.8%

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>31.03.2022</u>	<u>31.03.2021</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

Background and Significant Accounting Policies

- Expected cash flows over the next (valued on undiscounted basis):

	<u>31.03.2022</u>	<u>31.03.2021</u>
1 year	12,21,962	12,32,138
2 to 5 years	1,93,88,345	1,17,25,445
6 to 10 years	1,69,60,702	2,10,43,245
More than 10 years	6,75,92,569	5,60,62,068

6. Key Financial Ratio

Key Financial Ratios	2021-22	2020-21	Change	Reason
Current Ratio	1.81	1.98	(9%)	
Return on Equity (%)	12.25%	18.14%	(32%)	Decrease in EBT due to sharp increase in RM
Inventory Turnover Ratio	2.96	2.18	36%	Due to increase in production
Trade Receivables Turnover Ratio	7.17	6.15	17%	
Trade Payables Turnover Ratio	3.14	2.16	46%	Due to increase in purchase of RM
Net Capital Turnover Ratio	4.88	3.69	32%	Due to increase in purchase of RM
Net Profit Margin (%)	4.58%	7.98%	(43%)	Decrease in EBT due to sharp increase in RM
Return on Capital Employed (%)	16.11%	22.40%	(28%)	Decrease in EBT due to sharp increase in RM
Return on Investment	10.03%	14.35%	(30%)	Decrease in EBT due to sharp increase in RM
Operating Profit Margin (%)	6.10%	10.48%	(42%)	Decrease in EBT due to sharp increase in RM
Return on Net Worth %	12.25%	18.14%	(32%)	Decrease in EBT due to sharp increase in RM

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

8. Fixed Deposit with Indian Bank, Anna Salai Branch, Chennai-2, to the tune of Rs.4,00,000/- is pledged at Indian Bank, Anna Salai Branch, Chennai-2, for issue of Bank Guarantees in favour of 'Asst. Commissioner of Central Tax, Chennai' for GST bond purpose.

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


S.K.NAGACHANDRA
Partner
Membership No:22961


K.M.MAMMEN
Director
DIN:00020202


ARUN MAMMEN
Director
DIN:00018558

Place:Chennai
Dated: 09th May 2022