

**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 31<sup>st</sup> March 2021, 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 2021;
- (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 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.
- 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 financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work





and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

### **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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021s 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 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.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, 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*  
Firm's registration number: 001779S

*S K Nagachandra*

*S K Nagachandra*  
*Partner*

Membership Number: 022961  
UDIN: 21022961AAAAAI4698

Place: Chennai  
Date: 05-06-2021





# **S.G.Keshavamurthy & Co.**

## **Chartered Accountants**

GSTIN : 29AACFS8607F1Z1



### **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, 2021 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, 2021, 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*  
Firm's registration number: 001779S



*S K Nagachandra*  
*Partner*

Place: Chennai  
Date: 05-06-2021

Membership Number: 022961  
UDIN: 21022961AAAAAI4698



# **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. In respect of the Company's fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed 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.

ii. 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, the discrepancies noticed on such verification have been properly dealt in the books of account by the management.

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 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.

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.



v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2021.

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 2021 for a period of more than six months from the date on which the same became payable.

viii. 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 (viii) of the Order is not applicable to the Company.

ix. 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 (ix) of the Order is not applicable to the Company.

x. 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.

xi. In our opinion and according to the information and explanations given to us, the Company has not paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

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. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.





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.

*For S. G. KESHAVAMURTHY & CO.*  
*Chartered Accountants*  
Firm's registration number: 001779S

*S K Nagaehandra*  
S K Nagaehandra  
Partner

Place: Chennai  
Date: 05-06-2021

Membership Number: 022961  
UDIN: 21022961AAAAAI4698



**MRF CORP LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2021**

		(Rupees)	
	Note	As at 31 MARCH 2021	As at 31 MARCH 2020
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	2 (a)	47,07,28,877.00	17,81,50,012.00
Capital Work-in-Progress	2 (b)	1,21,69,615.00	6,38,63,577.00
Other Intangible Assets	2 (c)	1,18,518.00	1,60,318.00
<b>Financial Assets</b>			
- Investments	3	1,07,54,001.00	69,45,346.00
- Loans	4	3,36,000.00	4,01,608.00
- Other financial assets	5	5,01,814.00	5,66,628.00
Other non-current assets	6	1,05,57,251.00	10,45,95,743.00
<b>Current Assets</b>			
Inventories	7	56,29,00,822.00	51,27,42,200.00
<b>Financial Assets</b>			
- Investments	3	18,41,78,120.00	10,06,337.00
- Trade Receivables	8	33,06,65,346.00	42,47,79,002.00
- Cash and cash equivalents	9	10,46,46,819.00	24,14,68,943.00
- Bank balances other than cash and cash equivalents	10	-	-
- Loans	4	-	-
- Other financial assets	5	-	-
Other current assets	6	8,93,83,983.00	8,71,35,212.00
Assets Classified as held for sale	2(d)	-	-
<b>TOTAL ASSETS</b>		<b>1,77,69,41,166.00</b>	<b>1,62,18,14,926.00</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	SOCE	5,01,000.00	5,01,000.00
Other Equity	SOCE	1,12,27,43,277.00	93,27,56,897.00
<b>Total Equity</b>		<b>1,12,32,44,277.00</b>	<b>93,32,57,897.00</b>



**MRF CORP LIMITED**  
BALANCE SHEET AS AT 31ST MARCH, 2021

		(Rupees)	
	Note	As at 31 MARCH 2021	As at 31 MARCH 2020
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities	11	-	-
- Borrowings	12	-	-
Provisions	13	1,15,87,719.00	98,53,363.00
Deferred Tax Liabilities (Net)	14	-	-
Other non-current liabilities			
<b>Current Liabilities</b>			
Financial Liabilities	11	-	-
- Borrowings			
- Trade Payables	15	-	-
(A) total outstanding dues of micro enterprises and small enterprises; and	15	54,41,62,176.00	59,25,90,395.00
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	16	2,33,67,794.00	1,75,96,353.00
- Other Financial Liabilities	14	4,72,14,496.00	4,59,10,636.00
Other Current Liabilities	12	-	44,78,469.00
Provisions		2,73,64,704.00	1,81,27,813.00
Current Tax Liabilities (Net)		<u>65,36,96,889.00</u>	<u>68,85,57,029.00</u>
<b>Total Liabilities</b>		<u>1,77,69,41,166.00</u>	<u>1,62,18,14,926.00</u>
<b>TOTAL EQUITY AND LIABILITIES</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 : 0017795

  
S.K. NAGACHANDRA

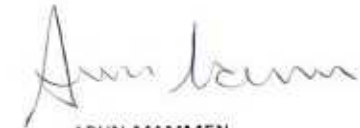
Partner

Membership No:22961

  
K.M. MAMMEN

Director

DIN:00020202



ARUN MAMMEN

Director

DIN:00018558

Chennai, Dated **05 JUN 2021**

## MRF CORP LIMITED

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

	Note	YEAR ENDED 31 MARCH 2021	YEAR ENDED 31 March 2020
<b>(Rupees)</b>			
<b>INCOME</b>			
Revenue from Contracts with Customers	17	2,32,69,70,256.00	2,39,92,96,836.00
Other Income	18	1,03,03,161.00	3,75,04,552.00
<b>TOTAL INCOME</b>		<b>2,33,72,73,417.00</b>	<b>2,43,68,01,388.00</b>
<b>EXPENSES</b>			
Cost of materials consumed	19	1,21,67,17,328.00	1,38,35,96,180.00
Purchases of Stock-in-Trade	27(q(2))	-	-
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	20	(4,26,65,772.00)	(7,78,10,951.00)
Employee Benefits expense	21	23,21,77,175.00	20,71,61,313.00
Finance Costs	22	-	-
Depreciation and Amortisation expense	2 (a) & (c)	3,62,24,649.00	1,40,40,754.00
Excise Duty		-	-
Other Expenses	23	64,05,87,130.00	67,82,58,627.00
<b>TOTAL EXPENSES</b>		<b>2,08,30,40,510.00</b>	<b>2,20,52,45,923.00</b>
<b>PROFIT/ (LOSS) BEFORE TAX</b>		<b>25,42,32,907.00</b>	<b>23,15,55,465.00</b>
<b>TAX EXPENSE</b>			
Current Tax		6,60,00,000.00	6,00,00,000.00
Deferred Tax		17,34,356.00	(1,91,531.00)
<b>TOTAL TAX EXPENSE</b>		<b>6,77,34,356.00</b>	<b>5,98,08,469.00</b>
<b>PROFIT/ (LOSS) FOR THE YEAR</b>		<b>18,64,98,551.00</b>	<b>17,17,46,996.00</b>



**MRF CORP LIMITED****STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021**

		(Rupees)	
	Note	YEAR ENDED 31 MARCH 2021	YEAR ENDED 31 March 2020
<b>OTHER COMPREHENSIVE INCOME(OCI)</b>			
Items that will not be reclassified to Profit or Loss			
Remeasurements of Defined benefit plans		59,99,878.00	7,27,351.00
Income Tax relating to items that will not be reclassified to Profit or Loss		(15,10,049.00)	(1,83,074.00)
Items that may be reclassified to Profit or Loss			
Designated Cash Flow Hedges		-	-
Income tax relating to items that may be reclassified to Profit or Loss		-	-
<b>TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>		<b>44,89,829.00</b>	<b>5,44,277.00</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>19,09,88,380.00</b>	<b>17,22,91,273.00</b>
<b>EARNINGS PER EQUITY SHARE</b>	27 (p)		
Basic		3,812	3,439
Diluted		3,812	3,439

**Significant Accounting Policies**

1

Accompanying Notes are an integral part of these financial statements

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

For S.G.KESHAVAMURTHY &amp; Co.,

Chartered Accountants,

FRN : 0017795

S.K.NAGACHANDRA

Partner

Membership No:22961

Chennai, Dated 05 JUN 2021



K.M.MAMMEN

Director

DIN:00020202



ARUN MAMMEN

Director

DIN:00018558

**MRF CORP LIMITED**

**STATEMENT OF CHANGES IN EQUITY (SOCE) FOR THE YEAR ENDED 31ST MARCH, 2021**

(Rupees)

EQUITY SHARE CAPITAL	Number	As at	
		31 MARCH 2021	31 MARCH 2020
		Amount	Amount
Authorised Share Capital	500000	5,00,00,000.00	5,00,00,000.00
Issued Share Capital	50100	5,01,000.00	5,01,000.00
Subscribed Share Capital	50100	5,01,000.00	5,01,000.00
Fully Paid-up Share Capital	50100	5,01,000.00	5,01,000.00
<b>Balance at the beginning of the year</b>	50100	5,01,000.00	5,01,000.00
Changes in equity share capital during the year:	-	-	-
<b>Balance at the end of the reporting year</b>	<b>50100</b>	<b>5,01,000.00</b>	<b>5,01,000.00</b>

**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 31 MARCH 2021		As at 31 MARCH 2020	
	No.	%	No.	%
Entire Capital is held by MRF LIMITED(100%) - Holding Company	50100	100.00%	50100	100.00%

OTHER EQUITY	Reserves and Surplus				Other Comprehensive Income(OCI)		TOTAL
	Securities Premium	General Reserve	Debenture redemption reserve	Retained Earnings	Effective portion of Cash Flow Hedges	Remeasurements of Defined Benefit Plans	
Balance at the beginning as on 01st April 2019	-	4,17,85,823.00	-	73,05,82,579.00	-	13,23,764.00	77,36,92,166.00
Profit for the Current Reporting year ending 31st March 2020	-	-	-	17,17,46,996.00	-	-	17,17,46,996.00
Other Comprehensive Income	-	-	-	-	-	5,44,277.00	5,44,277.00
<b>Total Comprehensive Income for the Reporting year</b>	-	<b>4,17,85,823.00</b>	-	<b>90,23,29,575.00</b>	-	<b>18,68,041.00</b>	<b>94,59,83,439.00</b>
Changes in Accounting Policy or Correction of Prior Period Errors	-	-	-	(1,20,18,577.00)	-	-	(1,20,18,577.00)
Transactions with owners in their capacity as owners:	-	-	-	-	-	-	-



**MRF CORP LIMITED**

**STATEMENT OF CHANGES IN EQUITY (SOCE) FOR THE YEAR ENDED 31ST MARCH, 2021**

(Rupees)

Dividends and Dividend Distribution Tax:						
- Interim Dividends						
- Final Dividend (Rs.20 per share)	-	-	(10,02,000.00)	-	-	(10,02,000.00)
- Dividend Distribution Tax	-	-	(2,05,965.00)	-	-	(2,05,965.00)
Transfer to General Reserve	-	-	-	-	-	-
Transfer from / (to) Debenture Redemption Reserve	-	-	-	-	-	-
<b>Balance at the end of the reporting year ending 31st March 2020</b>	-	<b>4,17,85,823.00</b>	-	<b>88,91,03,033.00</b>	-	<b>18,68,041.00</b>
Profit for the Current Reporting the year ending 31st March 2021	-	-	-	18,64,98,551.00	-	18,64,98,551.00
Other Comprehensive Income	-	-	-	-	-	44,89,829.00
<b>Total Comprehensive Income for the Reporting year</b>	-	<b>4,17,85,823.00</b>	-	<b>1,07,56,01,584.00</b>	-	<b>63,57,870.00</b>
Changes in Accounting Policy or Correction of Prior Period Errors	-	-	-	-	-	-
<b>Transactions with owners in their capacity as owners:</b>						
Dividends and Dividend Distribution Tax:						
- Interim Dividends						
- Final Dividend (Rs.20 per share)	-	-	(10,02,000.00)	-	-	(10,02,000.00)
- Dividend Distribution Tax	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-
Transfer from / (to) Debenture Redemption Reserve	-	-	-	-	-	-
<b>Balance at the end of the reporting year ending 31st March 2021</b>	-	<b>4,17,85,823.00</b>	-	<b>1,07,45,99,584.00</b>	-	<b>63,57,870.00</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 : 0017795

S.K.NAGACHANDRA  
Partner

Membership No:22961

Chennai, Dated **05 JUN 2021**

  
K. MAMMEN  
Director  
DIN:00020202

  
ARUN MAMMEN  
Director  
DIN:00018558

**MRF CORP LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021**

(Rupees)

	YEAR ENDED 31 MARCH 2021	YEAR ENDED 31 March 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
NET PROFIT BEFORE TAX	25,42,32,907.00	23,15,55,465.00
<b>Adjustment for :</b>		
Depreciation	3,62,24,649.00	1,40,40,754.00
Reversal of Impairment of Assets / Financial Assets	-	(3,74,004.00)
Unrealised Exchange (Gain) / Loss	-	-
Finance Cost	-	21,000.00
Interest Income	(21,49,219.00)	(3,56,23,841.00)
Dividend Income	(20,691.00)	(76,811.00)
Loss / (Gain) on Sale / Disposal of Property Plant and Equipment	-	-
Fair Value changes in Investments	-	(5,20,198.00)
Fair Value changes in Financial Instruments	(38,08,655.00)	-
Loss / (Gain) on Sale of Investments	(29,50,724.00)	1,74,20,281.00
Bad Debts written off	-	9,45,935.00
Other Adjustments	34,07,875.00	-
<b>OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES</b>	<b>28,49,36,142.00</b>	<b>22,73,88,581.00</b>
Trade receivables	9,07,05,781.00	(21,57,16,020.00)
Other receivables	(22,84,608.00)	7,21,71,777.00
Inventories	(5,01,58,622.00)	(8,90,05,830.00)
Trade Payable and Provisions	(4,69,06,810.00)	11,67,76,970.00
Other liabilities	70,75,301.00	14,92,58,102.00
<b>CASH GENERATED FROM OPERATIONS</b>	<b>28,33,67,184.00</b>	<b>26,08,73,580.00</b>
Direct Taxes paid	(5,82,73,158.00)	(6,07,69,997.00)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>22,50,94,026.00</b>	<b>20,01,03,583.00</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property Plant and Equipment	(18,29,93,423.00)	(28,24,06,763.00)
Proceeds from sale of Property Plant and Equipment	-	8,57,737.00
(Purchase of Investments)/Sale of Investment	(23,12,27,396.55)	(10,06,337.00)
Proceeds from sale of Investments	5,10,06,337.55	24,34,38,703.00
Fixed Deposits with Banks matured	64,814.00	(1,50,000.00)
Loans (Financial assets) given	65,608.00	53,652.00
Interest Income	21,49,219.00	3,56,23,841.00
Dividend income	20,691.00	76,811.00
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(36,09,14,150.00)</b>	<b>(35,12,356.00)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		



(Repayments) / Proceeds from Working Capital Facilities (Net)	-	-	-
Proceeds from Term Loans	-	-	-
Repayment of Term Loans	-	-	-
Repayment of Fixed Deposits	-	-	-
Sales Tax Deferral	-	-	-
Deferred payment Credit	-	-	(21,000.00)
Interest paid	(10,02,000.00)	(10,02,000.00)	(12,07,965.00)
Dividend and Dividend Distribution Tax			(12,28,965.00)
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>(10,02,000.00)</b>	<b>(12,28,965.00)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(13,68,22,124.00)</b>	<b>19,53,62,262.00</b>
<b>CASH AND CASH EQUIVALENTS AS AT 31ST MARCH, 2020</b>		<b>24,14,68,943.00</b>	<b>4,61,06,681.00</b>
<b>CASH AND CASH EQUIVALENTS AS AT 31ST MARCH, 2021</b>	Refer Note 9	<b>10,46,46,819.00</b>	<b>24,14,68,943.00</b>

Note to Cash Flow Statement:

- The above Cash Flow Statement has been prepared under the Indirect Method.
- Reconciliation of Financing Liabilities

	31.03.2021	31.03.2020
Opening Balance	1,75,96,353.00	1,66,39,605.00
Cash inflow / (outflow) of non-current borrowings	-	-
Cash inflow / (outflow) of current borrowings	-	-
Changes in fair values	57,71,441.00	9,56,748.00
Other Changes	-	-
Changes in unclaimed deposits and unpaid dividend	-	-
<b>Closing Balance</b>	<b>2,33,67,794.00</b>	<b>1,75,96,353.00</b>

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 5 JUN 2021

  
K.M.MAMMEN  
Director  
DIN:00020202

  
ARUN MAMMEN  
Director  
DIN:00018558

**MRF CORP LIMITED**  
NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2021

(Rupees)

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

Particulars	Land		Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Air Craft	Office equipment	Computers	Moulds	Other Assets	Total
	Freehold	Leased										
<b>Gross Block</b>												
Carrying Value as at 01 April 2019	2,21,69,015.00	-	2,17,74,344.00	11,23,77,758.00	1,24,67,317.00	50,84,194.00	-	33,92,501.00	38,50,171.00	-	2,99,47,387.00	21,10,92,697.00
Additions	62,300.00	-	81,161.00	2,60,60,678.00	51,29,540.00	10,87,746.00	-	43,387.00	8,19,639.00	-	43,57,621.00	3,76,42,072.00
Disposals	-	-	-	(13,84,063.00)	(5,82,043.00)	-	-	-	-	-	(3,00,920.00)	(22,67,026.00)
<b>Carrying Value as at 31 MARCH 2020</b>	<b>2,22,31,315.00</b>	<b>-</b>	<b>2,18,55,505.00</b>	<b>13,70,54,373.00</b>	<b>1,70,14,814.00</b>	<b>61,71,940.00</b>	<b>-</b>	<b>34,35,888.00</b>	<b>46,99,810.00</b>	<b>-</b>	<b>3,80,04,088.00</b>	<b>24,64,67,733.00</b>
Additions	-	-	19,74,13,041.00	10,30,03,364.00	53,41,648.00	-	-	8,53,549.00	14,51,372.00	-	2,06,98,740.00	32,87,61,714.00
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
<b>Carrying Value as at 31 MARCH 2021</b>	<b>2,22,31,315.00</b>	<b>-</b>	<b>21,92,68,546.00</b>	<b>24,00,57,737.00</b>	<b>2,23,56,462.00</b>	<b>61,71,940.00</b>	<b>-</b>	<b>42,89,437.00</b>	<b>61,51,182.00</b>	<b>-</b>	<b>5,47,02,828.00</b>	<b>57,52,29,447.00</b>
<b>Depreciation Block</b>												
Accumulated depreciation / Amortisation as at the 01 April 2019	-	-	14,13,272.00	1,90,28,520.00	1,12,89,242.00	35,44,892.00	-	26,33,731.00	31,99,735.00	-	1,46,18,664.00	5,57,28,056.00
Depreciation / Amortisation for the year	-	-	6,91,544.00	73,38,361.00	12,36,547.00	4,94,442.00	-	3,23,585.00	5,32,089.00	-	34,22,386.00	1,39,98,954.00
Disposals	-	-	-	(5,72,073.00)	(5,82,013.00)	-	-	-	-	-	(2,55,203.00)	(14,09,289.00)
<b>Accumulated depreciation / Amortisation as at the 31 March 2020</b>	<b>-</b>	<b>-</b>	<b>21,04,816.00</b>	<b>2,57,94,808.00</b>	<b>1,19,43,776.00</b>	<b>39,99,334.00</b>	<b>-</b>	<b>29,57,316.00</b>	<b>37,31,824.00</b>	<b>-</b>	<b>1,77,85,847.00</b>	<b>6,83,17,721.00</b>
Depreciation / Amortisation for the year	-	-	18,16,594.00	2,65,91,738.00	18,76,665.00	6,08,317.00	-	3,75,917.00	7,06,618.00	-	42,05,000.00	3,61,82,849.00
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
<b>Accumulated depreciation / Amortisation as at the 31 MARCH 2021</b>	<b>-</b>	<b>-</b>	<b>39,21,410.00</b>	<b>5,23,86,546.00</b>	<b>1,38,20,441.00</b>	<b>46,07,651.00</b>	<b>-</b>	<b>33,33,233.00</b>	<b>44,38,442.00</b>	<b>-</b>	<b>2,19,90,847.00</b>	<b>10,45,00,570.00</b>
<b>Net Block</b>												
As at 31 MARCH 2020	2,22,31,315.00	-	1,97,50,689.00	11,12,59,565.00	50,71,038.00	21,72,606.00	-	4,78,572.00	9,67,986.00	-	1,62,15,241.00	17,81,50,012.00
As at 31 MARCH 2021	2,22,31,315.00	-	21,53,47,136.00	18,76,69,191.00	85,36,021.00	15,64,289.00	-	9,56,204.00	17,12,740.00	-	3,27,11,981.00	47,07,28,877.00

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

As at 31 March 2020	6,38,63,577.00
As at 31 MARCH 2021	1,21,69,615.00

Note: 1:

- 2
- 3
- 4
- 5

Note 2 (c):

**INTANGIBLES**

Computer Software	PLANT & MACHINERY
9,81,100.00	-
-	-
9,81,100.00	-
-	-
9,81,100.00	-
-	-
7,78,962.00	-
41,800.00	-
-	-
8,20,762.00	-
41,800.00	-
-	-
8,62,562.00	-
1,60,318.00	-
1,18,518.00	-

Note 2 (d):

**ASSETS CLASSIFIED AS HELD FOR SALE**



**MRF CORP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2021**

**NOTE 3: INVESTMENTS**

Particulars	No. of Shares / Units			(Rupees)	
	Face Value	As at 31 MARCH 2021	As at 31 MARCH 2020	As at 31 MARCH 2021	As at 31 MARCH 2020
	Rs.	Nos.			
<b>Non-Current Investments</b>					
<b>Fully Paid-up</b>					
<b>Quoted</b>					
Equity Shares (at fair value through Profit or Loss )		4960	4960	1,07,54,001.00	69,45,346.00
<b>Unquoted</b>					
<b>In Mutual Fund Units: (at fair value through Profit or Loss )</b>					
Income Plan: Growth Option				-	-
Others: (at fair value through Profit or Loss) *				-	-
* Note: The Company had invested in Co-operative Societies and in certain other companies towards the corpus. These are non participative shares and normally no dividend is accrued. The Company has carried these investments at its transaction value considering it to be its fair value.					
<b>Unquoted</b>					
<b>Subsidiary Companies: (At Cost)</b>					
	-	0	0	-	-
	-	0	0	-	-
	-	0	0	-	-
	-	0	0	-	-
<b>Total</b>				<b>1,07,54,001.00</b>	<b>69,45,346.00</b>
Aggregate Market Value of Quoted Investments				1,07,54,001.00	69,45,346.00
Aggregate Amount of Unquoted Investments				-	-
<b>Current Investments</b>					
<b>Fully paid up -Unquoted</b>					
<b>In Mutual Fund Units: (at fair value through Profit or Loss )</b>					
Income Plan: Growth Option				18,41,78,120.00	10,06,337.00
Aggregate Amount of Unquoted Investments				18,41,78,120.00	10,06,337.00

**MRF CORP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2021**

**NOTE 4**

**LOANS (Unsecured, considered good)**

**(Rupees)**

	Non-Current		Current	
	As at 31 MARCH 2021	As at 31 MARCH 2020	As at 31 MARCH 2021	As at 31 MARCH 2020
Loans to employees	3,36,000.00	4,01,608.00	-	-
<b>Total</b>	<b>3,36,000.00</b>	<b>4,01,608.00</b>	<b>-</b>	<b>-</b>

**NOTE 5**

**OTHER FINANCIAL ASSETS**

**(Rupees)**

	Non-Current		Current	
	As at 31 MARCH 2021	As at 31 MARCH 2020	As at 31 MARCH 2021	As at 31 MARCH 2020
Bank deposits with more than 12 months maturity	5,01,814.00	5,66,628.00	-	-
Others;				
Security Deposits	-	-	-	-
Interest Accrued on Loans and Deposits	-	-	-	-
Salary and wage advance	-	-	-	-
Deposits - Rent	-	-	-	-
<b>Total</b>	<b>5,01,814.00</b>	<b>5,66,628.00</b>	<b>-</b>	<b>-</b>



**MRF CORP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2021**

**NOTE 6**

**OTHER ASSETS**

**(Rupees)**

	Non-Current		Current	
	As at 31 MARCH 2021	As at 31 MARCH 2020	As at 31 MARCH 2021	As at 31 MARCH 2020
Capital Advances	97,03,618.00	10,37,77,947.00		
Advances other than capital advances;				
Security Deposits	8,53,633.00	8,17,796.00	-	-
Advances to Employees	-	-	-	-
<b>Sub Total</b>	<b>1,05,57,251.00</b>	<b>10,45,95,743.00</b>	<b>-</b>	<b>-</b>
Others				
Advance payment of Income Tax / Tax Deducted at Source (after adjusting provision)	-	-	-	-
Balance with Statutory authorities	-	-	6,19,65,196.00	5,26,80,292.00
Advances recoverable in cash or kind	-	-	1,82,21,582.00	2,72,98,314.00
Prepaid Expenses	-	-	91,97,205.00	71,56,606.00
<b>Sub Total</b>	<b>-</b>	<b>-</b>	<b>8,93,83,983.00</b>	<b>8,71,35,212.00</b>
<b>Total</b>	<b>1,05,57,251.00</b>	<b>10,45,95,743.00</b>	<b>8,93,83,983.00</b>	<b>8,71,35,212.00</b>

**MRF CORP LIMITED**

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2021

**NOTE 7****INVENTORIES****(Rupees)**

	As at 31 MARCH 2021	As at 31 MARCH 2020
Raw Materials	18,99,14,639.00	18,13,15,788.00
Raw Materials in transit	-	-
Work-in-progress	38,28,274.00	61,02,985.00
Finished goods	32,29,26,297.00	27,23,88,845.00
Stock-in-trade	4,20,14,298.00	4,76,11,267.00
Stores and spares	42,17,314.00	53,23,315.00
<b>Total</b>	<b>56,29,00,822.00</b>	<b>51,27,42,200.00</b>

**NOTE 8****TRADE RECEIVABLES****(Rupees)**

	As at 31 MARCH 2021	As at 31 MARCH 2020
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	33,06,65,346.00	42,47,79,002.00
Trade Receivables - credit impaired	78,78,629.00	44,70,754.00
Less: Impairment provision on Expected Credit Loss Model	(78,78,629.00)	(44,70,754.00)
<b>Total</b>	<b>33,06,65,346.00</b>	<b>42,47,79,002.00</b>

Of the above, trade receivables due from Holding Company (Refer Note 27 (e))

- -

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.



**MRF CORP LIMITED**

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2021

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

	As at 31 MARCH 2021	As at 31 MARCH 2020
Balances with Banks	10,44,12,611.00	24,11,43,473.00
Cheques, drafts on hand; and Cash on hand	2,34,208.00	3,25,470.00
<b>Total</b>	<b>10,46,46,819.00</b>	<b>24,14,68,943.00</b>

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

	As at 31 MARCH 2021	As at 31 MARCH 2020
Deposits with original maturity of more than 3 months, but less than 12 months	-	-
Others:		
Unclaimed Dividend Account	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**MRF CORP LIMITED**

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2021

**NOTE 11****BORROWINGS****(Rupees)**

	As at 31 MARCH 2021	As at 31 MARCH 2020
<b><u>NON CURRENT</u></b>		
<b><u>Secured</u></b>		
Debentures;		
10.09% Secured Redeemable Non Convertible Debentures of Rs.10,00,000/- each	-	-
<b><u>Unsecured</u></b>		
Term loans from Banks;		
- External Commercial Borrowings (ECB)	-	-
Sales tax deferral scheme	-	-
<b><u>Others</u></b>		
Deferred payment liabilities	-	-
	<b>Sub - Total</b>	<b>-</b>
<b><u>CURRENT</u></b>		
<b><u>Secured</u></b>		
Loans repayable on demand		
- from banks	-	-
Interest accrued on above	-	-
	<b>Sub - Total</b>	<b>-</b>
	<b>Total</b>	<b>-</b>

Note: Security and terms of repayment in respect of above borrowings are detailed in Note 27 (j)



**MRF CORP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2021**

**NOTE 12**

**PROVISIONS**

(Rupees)

	Non-Current		Current	
	As at 31 MARCH 2021	As at 31 MARCH 2020	As at 31 MARCH 2021	As at 31 MARCH 2020
Provision for employee benefits	-	-	-	44,78,469.00
Others;				
- Warranty and others (refer Note 27 (d) )	-	-	-	-
<b>Total</b>	-	-	-	<b>44,78,469.00</b>

**NOTE 13**

**DEFERRED TAX LIABILITIES - (NET)**

(Rupees)

	As at 31 MARCH 2021	As at 31 MARCH 2020	As at 31 MARCH 2021	As at 31 MARCH 2020
Deferred Tax Liabilities :				
- Arising on account of difference in carrying amount and tax base of PPE and Intangibles	1,15,87,719.00	1,02,11,610.00		
- Unrealised gain/ (loss) on FVTPL debt Mutual Funds	-	-		
- Other adjustments	-	-		
<b>Total</b>	<b>1,15,87,719.00</b>	<b>1,02,11,610.00</b>	-	-
Deferred Tax Asset:				
- Accrued Expenses allowable on Actual Payments	-	(3,58,247.00)		
- On remeasurements of defined benefit plans	-	-		
- On revaluation of designated cash flow hedges	-	-		
<b>Total</b>	-	<b>(3,58,247.00)</b>	-	-
MAT Credit			-	-
<b>Total</b>	<b>1,15,87,719.00</b>	<b>98,53,363.00</b>	-	-

**MRF CORP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2021**

**NOTE 14**

**OTHER LIABILITIES**

(Rupees)

	Non-Current		Current	
	As at 31 MARCH 2021	As at 31 MARCH 2020	As at 31 MARCH 2021	As at 31 MARCH 2020
Contract Liabilities	-	-	1,62,67,410.00	2,19,45,100.00
Others;				
Dealers' Security Deposit	-	-	2,58,60,006.00	2,12,15,833.00
Retention Money	-	-	-	-
Statutory Dues	-	-	50,15,907.00	26,53,305.00
Liabilities for expenses	-	-	-	-
Others	-	-	71,173.00	96,398.00
<b>Total</b>	-	-	<b>4,72,14,496.00</b>	<b>4,59,10,636.00</b>

Movement of contract liabilities is as under ;

Rupees Crores

	YEAR ENDED 31 MARCH 2021	YEAR ENDED 31 MARCH 2020
As at beginning of the year	-	-
Recognised as revenue from contracts with customers	-	-
Advance from customers received during the year	-	-
Balance at the close of the year	-	-

**MRF CORP LIMITED****NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2021****NOTE 15****TRADE PAYABLES****(Rupees)**

	As at 31 MARCH 2021	As at 31 MARCH 2020
Outstanding dues of Micro and Small Enterprises (Refer Note 27(g) )	-	-
Outstanding dues of Creditors other than Micro and Small Enterprises	54,41,62,176.00	59,25,90,395.00
<b>Total</b>	<b>54,41,62,176.00</b>	<b>59,25,90,395.00</b>
Of the above;		
- Acceptances	-	-
- Payable to Subsidiary Companies net of receivables of Rs crores (previour year Rs. NIL (Refer Note 27 (e)))	-	-



**MRF CORP LIMITED**

NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH, 2021

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

	Current	
	As at 31 MARCH 2021	As at 31 MARCH 2020
Current maturities of long-term debt	-	-
Interest accrued on above	-	-
Fixed Deposit	-	-
Interest accrued on above	-	-
Unclaimed dividends	-	-
Others :		
Employee benefits	25,66,689.00	5,53,639.00
Liabilities for expenses	24,59,866.00	3,46,872.00
Derivatives(Net)	-	-
Others	1,83,41,239.00	1,66,95,842.00
<b>Total</b>	<b>2,33,67,794.00</b>	<b>1,75,96,353.00</b>

**MRF CORP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

**NOTE 17**

**REVENUE FROM CONTRACTS WITH CUSTOMERS :**

**(Rupees)**

	YEAR ENDED 31 MARCH 2021	YEAR ENDED 31 March 2020
Revenue from Operations :		
Sale Of Goods (Refer note 27(f))	2,32,42,90,457.00	2,39,63,39,296.00
Sale Of Services	-	-
Other Operating Revenues:		
Scrap Sales	26,79,799.00	29,57,540.00
Miscellaneous	-	-
<b>Total</b>	<b>2,32,69,70,256.00</b>	<b>2,39,92,96,836.00</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.(refer note 27(f))

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

**(Rupees)**

	YEAR ENDED 31 MARCH 2021	YEAR ENDED 31 MARCH 2020
Gross Sales (Contracted Price)	-	-
Reductions towards variable consideration (Product,Turnover and Prompt payment discount)	-	-
Claims preferred against obligation(Note 1(C-13))	-	-
<b>Revenue recognised</b>	<b>-</b>	<b>-</b>

**MRF CORP LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021****NOTE 18****OTHER INCOME**

(Rupees)

	YEAR ENDED 31 MARCH 2021	YEAR ENDED 31 March 2020
Interest Income	21,49,219.00	3,56,23,841.00
Dividend Income	20,691.00	76,811.00
Export Incentives	-	-
Subsidy from State Government	-	-
Net gain on sale of Investments classified as FVTPL	29,50,724.00	-
Net gains on fair value changes on financial assets classified as FVTPL	38,08,655.00	5,20,198.00
Refund of Purchase Tax	-	-
Doubtful Debt provision written back	-	-
Miscellaneous Income	13,73,872.00	12,83,702.00
<b>Total</b>	<b>1,03,03,161.00</b>	<b>3,75,04,552.00</b>

**NOTE 19****COST OF MATERIALS CONSUMED**

(Rupees)

	YEAR ENDED 31 MARCH 2021	YEAR ENDED 31 March 2020
Opening Stock of Raw Materials	18,13,15,788.00	17,14,06,442.00
Purchases during the year	1,22,53,16,179.00	1,39,35,05,526.00
Closing Stock of Raw Materials	(18,99,14,639.00)	(18,13,15,788.00)
<b>Total</b>	<b>1,21,67,17,328.00</b>	<b>1,38,35,96,180.00</b>



**MRF CORP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

**NOTE 20**

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

(Rupees)

	YEAR ENDED 31 MARCH 2021	YEAR ENDED 31 March 2020
Closing Stock:		
Finished Goods	32,29,26,297.00	27,23,88,845.00
Stock-in-Trade	4,20,14,298.00	4,76,11,267.00
Work-in-Progress	38,28,274.00	61,02,985.00
	<u>36,87,68,869.00</u>	<u>32,61,03,097.00</u>
Less: Opening Stock:		
Finished Goods	27,23,88,845.00	21,53,99,107.00
Stock-in-Trade	4,76,11,267.00	2,94,24,982.00
Work-in-Progress	61,02,985.00	34,68,057.00
	<u>32,61,03,097.00</u>	<u>24,82,92,146.00</u>
Differential Excise Duty on Opening and Closing stock of Finished Goods	-	-
<b>Total</b>	<b>(4,26,65,772.00)</b>	<b>(7,78,10,951.00)</b>

**NOTE 21**

**EMPLOYEE BENEFITS EXPENSE**

(Rupees)

	YEAR ENDED 31 MARCH 2021	YEAR ENDED 31 March 2020
Salaries and Wages	20,77,41,880.00	18,32,36,637.00
Contribution to provident and other funds	1,31,81,278.00	1,25,70,230.00
Staff welfare expenses	1,12,54,017.00	1,13,54,446.00
<b>Total</b>	<b>23,21,77,175.00</b>	<b>20,71,61,313.00</b>

**MRF CORP LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021****NOTE 22****FINANCE COSTS****(Rupees)**

	<b>YEAR ENDED 31 MARCH 2021</b>	<b>YEAR ENDED 31 March 2020</b>
Interest on Loans and Deposits	-	-
Interest on Debentures	-	-
Interest on Deferred Payment Credit	-	-
Other Borrowing Costs;		
Unwinding of discount relating to Long Term Liabilities	-	-
Other Charges	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

MRF CORP LIMITED  
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

NOTE 23

OTHER EXPENSES

(Rupees)

	YEAR ENDED 31 MARCH 2021	YEAR ENDED 31 March 2020
Stores and Spares Consumed	1,13,28,630.00	92,64,657.00
Power and Fuel	44,33,438.00	32,94,751.00
Processing Expenses	4,09,86,877.00	4,69,71,361.00
Rent	2,58,92,736.00	2,54,58,055.00
Rates and Taxes	20,08,826.00	30,89,083.00
Insurance	72,47,575.00	46,86,120.00
Printing and Stationery	26,91,683.00	24,74,503.00
Repairs and Renewals:		
Buildings	6,29,783.00	4,75,249.00
Plant and Machinery	32,81,039.00	31,61,898.00
Other Assets	47,06,990.00	33,14,562.00
Travelling and Conveyance	1,27,46,730.00	2,09,76,432.00
Communication Expenses	22,45,066.00	25,55,898.00
Vehicle Expenses	28,12,092.00	32,83,033.00
Auditors' Remuneration:		
As Auditors:		
Audit fee	1,00,000.00	1,00,000.00
Tax Audit fee	60,000.00	30,000.00
Other Services	1,29,800.00	92,910.00
Reimbursement of Expenses	<u>2,89,800.00</u>	<u>2,22,910.00</u>
Cost Auditors Remuneration:		
Audit fee		-
Directors' Fees		-
Directors' Travelling Expenses	14,27,70,330.00	17,90,78,332.00
Advertisement		-
Warranty	58,298.00	46,860.00
Sales tax absorbed by the company		-
Bad debts written off	17,54,29,195.00	15,62,58,633.00
Commission	15,38,19,054.00	15,14,33,919.00
Freight and Forwarding (Net)		-
Loss on Sale of Fixed Asset		-
Net Loss on Foreign Currency Transactions		-
Net Loss on sale of Investments classified as FVTPL		1,74,20,281.00
Corporate Social Responsibility Expenses	2,21,732.00	26,90,506.00
Bank Charges	5,63,252.00	9,32,440.00
Provision for Impairment of Assets( other than Financial Assets)	34,07,875.00	5,71,931.00
Provision for Impairment of Financial Assets	4,30,16,129.00	4,05,97,213.00
Miscellaneous Expenses		
<b>Total</b>	<b><u>64,05,87,130.00</u></b>	<b><u>67,82,58,627.00</u></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) 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.

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**MRF Corp Limited**

**Background and Significant Accounting Policies**

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**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.

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**MRF Corp Limited**

## **Background and Significant Accounting Policies**

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### **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

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### 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.

### 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:

- a. Fixed Assets are stated at cost net of input tax credits under GST Laws. All costs relating to the acquisition including freight and installation of Fixed Assets are capitalised.
- b. Ind AS 101 allows entity to elect to measure Property, Plant and Equipment on the transition date at its fair value or previous GAAP carrying value (Book value) as deemed cost.
- c. Depreciation:
  - i) Effective 1st April 2014, depreciation on Buildings has been provided on straight line method as specified in Schedule II to the Companies Act, 2013.
  - ii) The estimate of the useful life of other class of assets has been assessed based on technical advice which considered the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc.

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**MRF Corp Limited**

**Background and Significant Accounting Policies**

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

(iv) 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.

## 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. 1,15,87,719/- pertaining to the current year has been recognized. Deferred Tax has been calculated @ 25.168% (Current year)

	<u>Current Year</u> <u>31/03/2021</u> (Rs.)	<u>Year ended</u> <u>31/03/2020</u> (Rs.)
<b>Liability:</b>		
Taxable Temporary Difference:		
Property, Plant, Equipment & Intangible	1,15,87,719	1,02,11,610
<b>Asset:</b>		
Deductible Temporary Difference:		
Expenses allowable on payment basis	----	3,58,247
Intangible Assets	----	----
	-----	-----
Net Deferred Tax Liability	1,15,87,719	98,53,363
	-----	-----

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MRF Corp Limited

Background and Significant Accounting Policies

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#### 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>31/03/2021</u> (Rs.)	<u>Year ended</u> <u>31/03/2020</u> (Rs.)
Sale of Finished Goods (Paints & Thinners)	1,09,64,792	1,67,18,901
Dividend paid	10,02,000	10,02,000
Lease Rent paid	15,12,000	13,86,000
Expenditure reimbursed	2,69,829	3,82,079
Licence fee((software)	---	---
<u>Outstanding:</u>		
Trade Receivable	19,72,311	29,46,590

#### 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>31/03/2021</u> (Rs.)	<u>Year ended</u> <u>31/03/2020</u> (Rs)
i) Employer's contribution to Provident Fund & Family Pension Fund	86,49,734	81,88,358
ii) Employer's contribution to Superannuation Fund *	44,79,817	43,17,875
*(Included in 'Contribution to Provident and Other Funds')	77,07,854	77,61,967
iii) Leave Encashment – Unfunded		
iv) Defined benefit obligation:		

a) The valuation results for the defined benefit gratuity plan as at 31/03/2021, are produced in the tables below:

**MRF Corp Limited**

**Background and Significant Accounting Policies**



i) Changes in the Present Value of Obligation:

<u>Particulars</u>	<u>Year Ended</u> <u>31.03.2021</u>	<u>Year Ended</u> <u>31.03.2020</u>
Present Value of Obligation as at the beginning	3,88,42,259	3,43,63,790
Current Service Cost	31,55,625	25,36,950
Interest Expense or Cost	26,39,405	26,68,870
Re-measurement (or Actuarial) (gain) / loss arising from:	-	(2,24,411)
- change in financial assumptions	-	14,99,303
- experience variance (i.e.Actual experience vs assumptions)	(59,99,878)	(20,02,243)
Past Service Cost	-	-
Benefits Paid	-	-
	-----	-----
Present Value of the Obligation as at the end	3,86,37,411	3,88,42,259
	-----	-----

ii) Changes in the Fair Value of Plan Assets

<u>Particulars</u>	<u>Year Ended</u> <u>31.03.2021</u>	<u>Year Ended</u> <u>31.03.2020</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>	<u>Year Ended</u> <u>31.03.2021</u>	<u>Year Ended</u> <u>31.03.2020</u>
Current Service Cost	31,55,625	25,36,950
Past Service Cost	26,39,405	26,68,870
Net Interest Cost/Income on the Net Defined Benefit Liability/(Asset)	-	-
	-----	-----
Expenses Recognised in the Income Statement	57,95,030	52,05,820
	-----	-----

**MRF Corp Limited**

**Background and Significant Accounting Policies**

iv) Other Comprehensive Income

<u>Particulars</u>	<u>Year Ended</u> <u>31.03.2021</u>	<u>Year Ended</u> <u>31.03.2020</u>
Actuarial (gains) / losses		
- Change in demographic assumption	-	(2,24,411)
- change in financial assumptions	-	14,99,303
- experience variance (i.e. Actual experience vs assumptions)	(59,99,878)	(20,02,243)
Return on plan assets, excluding amount recognised in net interest expense	-	-
	-----	-----
Components of defined benefit costs recognised in other Comprehensive income	(59,99,878)	(7,27,351)
	-----	-----

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

	<u>As at</u> <u>31.03.2021</u>	<u>As at</u> <u>31.03.2020</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:

	<u>As at</u> <u>31.03.2021</u>	<u>As at</u> <u>31.03.2020</u>
Discount rate (per annum)	6.80%	6.80%
Salary growth rate (per annum)	5.50%	5.50%

b. Demographic Assumptions

	<u>As at</u> <u>31.03.2021</u>	<u>As at</u> <u>31.03.2020</u>
Mortality Rate (% of IALM 06-08)	100%	100%
Withdrawal rates, based on age: (per annum)		
Up to 30 years	3.00%	3.00%
31 – 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

## 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>31.03.2021</u>	As at <u>31.03.2020</u>
<u>Defined Benefit Obligation ( Base)</u>	3,86,37,411	3,88,42,259

	31.03.2021		31.03.2020	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%) (% change compared to base due to sensitivity)	4,29,36,304 11.0%	3,49,59,235 -9.5%	4,30,17,065 10.7%	3,52,51,475 -9.2%
Salary Growth Rate (- / + 1%) (% change compared to base due to sensitivity)	3,48,79,976 -9.7%	4,29,54,739 11.1%	3,51,55,492 -9.4%	4,30,57,081 10.8%
Attrition Rate (- / + 50%) (% change compared to base due to sensitivity)	3,92,57,058 1.6%	3,80,85,735 -1.5%	3,93,94,939 1.5%	3,83,51,543 -1.3%
Mortality Rate (- / + 10%) (% change compared to base due to sensitivity)	3,83,13,328 -0.8%	3,89,58,998 0.8%	3,85,42,891 -0.8%	3,91,39,339 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

31.03.2021 31.03.2020

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

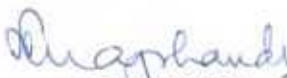
- Expected cash flows over the next (valued on undiscounted basis):

	<u>31.03.2021</u>	<u>31.03.2020</u>
1 year	12,32,138	20,53,470
2 to 5 years	1,17,25,445	72,55,462
6 to 10 years	2,10,43,245	2,70,18,525
More than 10 years	5,60,62,068	5,14,22,354

6. The Previous year figures have been regrouped wherever necessary to make them comparable with current year figures.

7. 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: 0017795

  
S.K.NAGACHANDRA  
Partner  
Membership No:22961

  
K.M.MAMMEN  
Director  
DIN:00020202

  
ARUN MAMMEN  
Director  
DIN:00018558

Place:Chennai

Dated: 5 JUN 2021