



**INDEPENDENT AUDITOR'S REPORT**

To the Members **MRF CORP LIMITED, CHENNAI.**

**Report on the Ind AS Financial Statements:**

We have audited the annexed Ind AS Financial Statements of **MRF CORP LIMITED** ('The Company') which comprise the Balance Sheet as at 31st March 2018 and the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and Statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information (herein after referred as "IndAS Financial statements").

**Management's Responsibility for the Financial Statements:**

The Company's Board of Directors are responsible for the matters stated in section 134 (5) of the Companies Act, 2013 ( "the Act") with respect to the preparation of these IndAS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Accounting principles generally accepted in India, including the Indian accounting standards (IndAS) specified under section 133 of the act, read with the Companies ( Indian Accounting Standards) Rules, 2015 as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the 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 judgment 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 IndAS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility:**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the act and the rules made there under and the order issued U/s 143(11) of Act.



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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the IndASfinancial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the IndASfinancial statements, whether due to fraud or error. In making those risk assessments, the auditor considers Internal Financial control relevant to the Company's preparation and fair presentation of the IndASfinancial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by company's Directors, as well as evaluating the overall presentation of the IndASfinancial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the IndASfinancial statements.

#### **Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid IndASfinancial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the IndAS:

- i) Of the financial position of the Company as at 31<sup>st</sup> March, 2018.
- ii) Its Profit, including other comprehensive income.
- iii) Its cash flows and changes in equity for the year ended on that date.

#### **I) Report on Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, 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 purpose 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, cash flow statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the IndAS Financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.
- e. On the basis of written representations received from the Directors of the Company as on 31 March 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018, 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 & operating effectiveness of the Companies internal financial controls over financial reporting.
- g. With respect to other matters to be included in the Auditors' Report in accordance with the Rule 11 of the Companies (Audit & 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 litigation on its financial position in its financial statements-Refer note No.8 to the Ind AS financial statements.
  - ii) The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any.
  - iii) There has been no delay in transferring the amounts, required to be transferred to Investor Education & Protection Fund by the company; and

For **S.G.KESHAVAMURTHY & CO.**

• Chartered Accountants  
Firm's registration number: 0017795



S K Nagachandra

Partner

Membership Number: 022961

Place: Chennai

Date: 08.05.2018





**Annexure "A" to the Independent Auditor's Report of even date to the Members of MRF Corp Limited**

(Referred to in Paragraph 2(f) under "Report on Other Legal & Regulatory requirements")

**Report on the Internal Financial Controls 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, 2018 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 Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be 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 misstatement of the financial statements, whether due to fraud or error.

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





### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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.

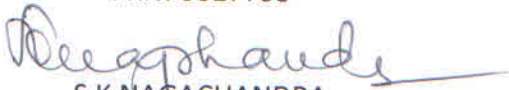
### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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 & according to the explanation 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of  
S G Keshavmurthy & Co  
FRN: 001779S

  
S K NAGACHANDRA  
Partner

Membership Number: 022961

Place: Chennai  
Date: 08.05.2018





**Annexure B to the Independent Auditors' Report:**

The Annexure referred to in our Independent Auditor's report to the members of the Company on the financial statements for the year ended 31 March 2018, we report that:

1.
  - (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 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.
2. 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.
3. 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.
4. 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.
5. The company has not accepted any deposits from the public.





6. 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.
- 7.
- (a) 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 2018 for a period of more than six months from the date on which the same became payable.
- (b) There is a disputed liability of Rs. 45.47 lakhs towards Income Tax for the Assessment Years 2012-13 & 2013-14 and the appeals are pending before the first appellate authority viz., Commissioner of Income Tax (Appeals)-Chennai.
8. The Company has not taken any loans or borrowings from financial institutions, Banks & Government or has not issued any Debentures.
9. The company did not raise any money by way of Initial Public offer or further Public Offer and the company has not taken any term loans.
10. On the basis of our examination and according to the information and explanations given to us no fraud on or by the company has been noticed or reported during the year.
11. The company has not paid or provided any remuneration as per the provisions of section 197 of the Companies Act.
12. The company is not a Nidhi Company.
13. 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.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with them.



16. The company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934.

For S.G.KESHAVAMURTHY & CO.

Chartered Accountants

Firm's registration number: 001779S



S K Nagachandra  
Partner




Membership Number: 022961

Place: Chennai




Date: 08.05.2018





MRF Corp Limited			
Balance Sheet as at 31 March 2018			
(Rs.)			
Particulars	Note Reference	31.03.2018	31.03.2017
<b>ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant and Equipment	1	136743263	120246234
(b) Capital Work-in-Progress	1	725547	145923
(c) Other Intangible Assets	2	1	1
<b>(d) Financial Assets</b>			
(i) Investments	3	5028707	4687105
(ii) Loans	4	640300	1893800
(iii) Others financial assets	5	400000	-
(e) Other non-current assets	6	2411595	2071149
<b>(2) Current Assets</b>			
(a) Inventories	7	293397844	319600074
<b>(b) Financial Assets</b>			
(i) Investments	3	197090810	89347349
(ii) Trade Receivables	8	138312306	83093844
(iii) Cash and cash Equivalents	9	38412088	60711854
(iv) Others financial assets	5	(196000)	614000
(c) Other current assets	6	14908040	35203217
<b>TOTAL ASSETS</b>		<b>827874501</b>	<b>717614550</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	SOCE	501000	501000
(b) Retained Earnings	SOCE	-	-
(c) Other Equity	SOCE	595302545	449624146
<b>Total Equity</b>		<b>595803545</b>	<b>450125146</b>
<b>Liabilities</b>			
<b>(1) Non-Current Liabilities</b>			
(a) Deferred Tax Liabilities (Net)	10	8221999	8323419
<b>(2) Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Trade Payables	11	178772693	175154895
(ii) Other Financial Liabilities	12	16009745	15868671
(b) Other Current Liabilities	13	13935966	52415318
(c) Provisions	14	(1034554)	7367903
(d) Current Tax Liabilities (Net)	15	16165107	8359198
<b>Total Liabilities</b>		<b>232070956</b>	<b>267489404</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>827874501</b>	<b>717614550</b>
This is the Balance Sheet referred to in our report of even date.			
For S.G.KESHAVAMURTHY & Co., Chartered Accountants,			
  			
S.K.NAGACHANDRA	K.M.MAMMEN	ARUN MAMMEN	
Partner	Director	Director	
Membership No:22961	DIN:00020202	DIN:00018558	
Place : Chennai			
Dated: 08.05.2018			



MRF Corp Limited			
Statement of Profit and Loss for the period ended 31 March 2018			
(Rs.)			
Particulars	Note Reference	31.03.2018	31.03.2017
<b>I INCOME</b>			
(1) Revenue from Operations	16	1779711064	1733506685
(2) Other Income	17	10358280	15676523
<b>TOTAL INCOME</b>		<b>1790069344</b>	<b>1749183208</b>
<b>II EXPENSES</b>			
(1) Cost of materials consumed	18	945132256	920223794
(2) Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	19	14027606	(58603680)
(3) Employee Benefit expenses	20	144698941	141815371
(4) Finance Costs	21	30547	6328092
(5) Depreciation and Amortisation expenses	1, 2	9665499	9079040
(6) Excise Duty		54424068	198018378
(7) Other Expenses	22	398776276	371161891
<b>TOTAL EXPENSES</b>		<b>1566755193</b>	<b>1588022886</b>
<b>PROFIT / LOSS BEFORE TAX</b>		<b>223314151</b>	<b>161160322</b>
<b>III TAX EXPENSE</b>			
(1) Current Tax	23	80000000	55000000
(2) Deferred Tax	23	(101420)	(1147662)
(3) Deferred Tax- Ind AS Adjustments	23	-	3392778
<b>TOTAL TAX EXPENSE</b>		<b>79898580</b>	<b>57245116</b>
<b>PROFIT / LOSS FOR THE PERIOD</b>		<b>143415571</b>	<b>103915206</b>
<b>IV OTHER COMPREHENSIVE INCOME</b>			
A (i) Items that will not be reclassified to Profit or Loss			
(a) Remeasurements of Defined benefit plans	24	3476080	(3865606)
<b>TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>3476080</b>	<b>(3865606)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>146891651</b>	<b>100049600</b>
<b>V EARNINGS PER EQUITY SHARE</b>			
(a) Basic		2932	1997
(b) Diluted		2932	1997
This is the Statement of Profit & Loss referred to in our report of even date.			
For S.G.KESHAVAMURTHY & Co., Chartered Accountants,			
 S.K.NAGACHANDRA Partner Membership No:22961		 K.M.MAMMEN Director DIN:00020202	
		 ARUN MAMMEN Director DIN:00018558	
Place : Chennai			
Dated: 08.05.2018			



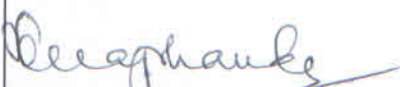


**MRF CORP LIMITED**

Cash Flow Statement for the year ended 31st March 2018

	Year 2017-18		Year 2016-17	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before Taxation and Exceptional items	226790231		157294716	
<b>Adjustments for:</b>				
Depreciation	9665499		9079040	
Operating Profit before Working Capital Changes		236455730		166373756
<b>Adjustments for changes in Working Capital:</b>				
Trade receivables	(55218462)		(20928819)	
Inventories	26202230		(80456520)	
Prepaid expenses & accrued interest	638135		(1735083)	
Other Current Assets including financial assets	19726596		(19289719)	
Loans & advances	1253500		593300	
Trade Payable	3617798		65355045	
Other Current Liabilities including financial liabilities	(46740735)		23806592	
		(50520938)		(32655204)
<b>CASH GENERATED FROM OPERATIONS</b>		185934792		133718552
Direct Taxes paid	(72201359)		(53627010)	
		(72201359)		(53627010)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		113733433		80091542
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
(Purchase)/Sale of Investment	(100000000)		25905900	
Investment (Fair Value Impact-IND AS)	(4646360)		1669265	
Purchase of/additions to Fixed Assets	(26742152)		(16524986)	
Gain on Investment	(3438703)		-	
<b>NET CASH FROM INVESTING ACTIVITIES</b>		(134827215)		11050179
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Dividend & Corporate Dividend Tax paid	(1205984)		(1202350)	
Repayment of Loan (MRF Ltd)	-		(73558787)	
MRF Loan (Fair Value Impact-IND AS)	-		6327257	
<b>NET CASH FROM FINANCING ACTIVITIES</b>		(1205984)		(68433880)
<b>NET DECREASE/INCREASE IN CASH (A+B+C)</b>		(22299766)		22707841
Opening balance of Cash & Cash Equivalents		60711854		38004013
Closing balance of Cash & Cash Equivalents		38412088		60711854

This is the Cash Flow Statement referred to in our report of even date.  
For S.G.KESHAVAMURTHY & Co.,  
Chartered Accountants,



S.K.NAGACHANDRA  
Partner  
Membership No:22961



K.M.MAMMEN  
Director  
DIN: 00020202



ARUN MAMMEN  
Director  
DIN: 00018558

Place :Chennai

Dated: 08.05.2018



## **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.

---

  
CMD

  
VCMJ



#### 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 yearend 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 inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes/GST, and amounts collected on behalf of third parties. However, for the immediately preceding previous year viz 2016-17, sales includes excise duty for the whole year.

Consequent to the introduction of Goods and Services Tax (GST) with effect from 1<sup>st</sup> July, 2017, Central Excise, Value Added Tax (VAT) etc., have been subsumed in to GST. In accordance with Indian Accounting Standard-18 on Revenue and Schedule III of the Companies Act, 2013, unlike Excise Duties, levies like GST, VAT etc., are not part of Revenue. Accordingly, the figures for the period up to 30<sup>th</sup> June 2017, includes Excise Duty and not thereafter.

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.

Tax adjustments are also made for deferred tax impact on account of differences between Indian GAAP and Ind AS after taking into account, deductible and taxable temporary differences.

#### 2.7 EXCISE DUTY/GST:

Excise Duty has been accounted on the basis of both payments made in respect of goods dispatched and also provision made for goods lying in bonded warehouses, up to 30.06.2017.

GST has come into effect w.e.f. 01.07.2017 and the company has complied with the provisions of the same.

---

  
CMJ

  
VCMJ

## **2.8 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.

## **2.9 DIVIDEND:**

Under Ind AS, dividend to equity shareholders is recognized as liability in the period in which obligation to pay is established. In Indian GAAP, dividend payable is recorded as liability in the period to which it relates.

## **2.10 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.

In Indian GAAP, actuarial gains and losses are recognized in profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of net defined benefit liability/asset which is recognized as Other comprehensive Income in Profit & loss.

## **2.11 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.

## **2.12 IMPAIRMENT OF ASSETS:**

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

---

✓

✓



**2.13 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.

**2.14 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 Cenvat / VAT schemes and GST Laws. Work-in-Progress and Finished Goods inventory include materials, labour cost and other related overheads.

**2.15 INVESTMENTS:**

In Indian GAAP, current investments were measured at lower of cost or fair value and long term investments were measured at cost less Diminution in value. 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.

**2.16 PROPERTY, PLANT AND EQUIPMENT:**

- a. Fixed Assets are stated at cost net of input tax credits under Cenvat/VAT Schemes/ under GST Laws. All costs relating to the acquisition including freight and installation of Fixed Assets are capitalised.
  - b. Plant, Equipment and property valued at cost less Depreciation as per earlier Indian GAAP. 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.
- 

✓

R

## MRF Corp Limited

### Background and Significant Accounting Policies

- (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.

#### 2.17 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.

#### 2.18 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.83,23,419/- pertaining to the current year has been recognized.

	<u>Current Year</u> <u>31/03/2018</u> (Rs.)	<u>Year ended</u> <u>31/03/2017</u> (Rs.)
<b>Liability:</b>		
Taxable Temporary Difference:		
Property, Plant, Equipment & Intangible	1,01,00,940	85,02,011
<b>Asset:</b>		
Deductible Temporary Difference:		
Expenses allowable on payment basis	18,78,175	1,76,677
Intangible Assets	766	1,915
Net Deferred Tax Liability	82,21,999	83,23,419





## MRF Corp Limited

### Background and Significant Accounting Policies

---

#### 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>31/03/2018</u> (Rs.)	<u>Year ended</u> <u>31/03/2017</u> (Rs.)
Sale of Finished Goods (Paints & Thinners)	2,47,80,436	2,96,50,608
Dividend paid	10,02,000	10,02,000
Lease Rent paid	14,91,000	13,27,200
Expenditure reimbursed	4,47,987	3,36,363
Licence fee((software)	10,05,000	- - -
Loan repaid	- - -	7,35,58,787

Outstanding:

Trade Receivable	40,98,902	28,51,859
------------------	-----------	-----------

#### 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>31/03/2018</u> (Rs.)	<u>Year ended</u> <u>31/03/2017</u> (Rs.)
i)Employer's contribution to Provident Fund&Family Pension Fund	61,67,079	53,84,320
ii)Employer's contribution to Superannuation Fund *	30,74,645	21,73,940
*(Included in 'Contribution to Provident and Other Funds')		
iii) Defined benefit obligation:		
a)Gratuity Funded	42,81,203	35,02,297
Service Cost	-	-
Interest Cost	-	-
Expected return of plan assets	-	-

---

**MRF Corp Limited**

**Background and Significant Accounting Policies**

---

Actuarial (Gain)/Loss

- -

Net Cost

42,81,203 35,02,297

iv) Other Long Term Employee Benefits:

a) Leave encashment –Non Funded

59,65,826 58,54,585

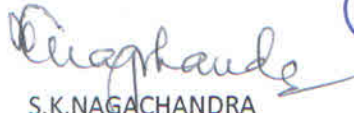
**6. Contingent liability not provided for:**

- (i) Income Tax demand for AY 2012-13 Rs.35,89,880/-
- (ii) Income Tax demand for AY 2013-14 Rs. 9,57,840/-

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

---

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

  
S.K.NAGACHANDRA  
Partner  
Membership No:22961

  
K.M.MAMMEN  
Director  
DIN:00020202

  
ARUN MAMMEN  
Director  
DIN:00018558

Place:Chennai  
Dated: 08.05.2018





MRF Corp Limited				
Statement of Changes in Equity for the period ended 31 March 2018				
	31.03.2018		31.03.2017	
	No.	Amount	No.	Amount
<b>A. EQUITY SHARE CAPITAL</b>				
Authorised Share Capital	50,00,000	5,00,00,000	50,00,000	5,00,00,000
Issued Share Capital	50,100	5,01,000	50,100	5,01,000
Subscribed Share Capital	50,100	5,01,000	50,100	5,01,000
Fully Paid-up Share Capital	50,100	5,01,000	50,100	5,01,000
Subscribed but not fully paid-up				
<b>Balance at the beginning of the year</b>	50,100	5,01,000	50,100	5,01,000
<b>Balance at the end of the reporting period</b>	50,100	5,01,000	50,100	5,01,000

	31.03.2018		31.03.2017	
	No.	Amount	No.	Amount
<b>Shares held by Holding, Ultimate Holding, Subsidiaries and Associates of Holding, Subsidiaries and Associates of Ultimate</b>				
Shares held by holding company	50,100	5,01,000	50,100	5,01,000
<b>Total</b>	50,100	5,01,000	50,100	5,01,000

	31.03.2018		31.03.2017	
	No.	Amount	No.	Amount
<b>Shares in the Company held by each shareholder holding more than five per cent shares</b>				
Entire capital is held by MRF Limited (100%) - Holding Company	50,100	5,01,000	50,100	5,01,000
<b>Total</b>	50,100	5,01,000	50,100	5,01,000

3

✓

(Rs.)

B. OTHER EQUITY	Reserves and Surplus		TOTAL
	General Reserve	Retained Earnings	
Balance at the beginning of the comparative reporting period-01/04/2016	41785823	308991073	350776896
Profit for the Comparative Period	-	103915206	103915206
Other Comprehensive Income for the Comparative Period	-	(3865606)	(3865606)
Total Comprehensive Income for the Comparative Period	-	100049600	100049600
Transactions with owners in their capacity as owners:			
- Dividends (Dividend per share Rs. 20/-)	-	(1202350)	(1202350)
Transfer to General Reserve	-	-	-
Transfer from Retained Earnings	-	-	-
Balance at the end of the comparative reporting period	41785823	407838323	449624146
Profit for the Current Reporting Period	-	143415571	143415571
Other Comprehensive Income for the Current Reporting Period	-	3476080	3476080
Total Comprehensive Income for the Current Reporting Period	-	146891651	146891651
Transactions with owners in their capacity as owners:			
- Dividends (Dividend per share Rs. 20/-)	-	(1213252)	(1213252)
Transfer to General Reserve	-	-	-
Transfer from Retained Earnings	-	-	-
Balance at the end of the Reporting Period	41785823	553516722	595302545

K

10



Note 1

Property, Plant and Equipment

(Rs)

Particulars	Land Owned	Buildings Owned	Plant & Equipment Owned	Office Equipment Owned	Furniture & Fixtures Owned	Vehicles Owned	Computers Owned	Other Assets Owned	Total
Gross Block:									
At cost or fair value as at 31.03.2017	22169015	2590895	83530190	3040146	11965213	4058578	2999464	25675968	156029469
Additions	-	16592199	7064902	320660	193739	1025615	268496	696917	26162528
At cost or fair value as at 31.03.2018	22169015	19183094	90595092	3360806	12158952	5084193	3267960	26372885	182191997
Depreciation Block:									
Accumulated depreciation and impairment as at the 31.03.2017	-	380298	10797370	1601859	9518812	2368656	2351599	8764641	35783235
Depreciation for the year	-	389317	3891615	519113	1056321	610197	430289	2768647	9665499
Accumulated depreciation and impairment as at the 31.03.2018	-	769615	14688985	2120972	10575133	2978853	2781888	11533288	45448734
Net Block:									
As at 31.03.2017	22169015	2210597	72732820	1438287	2446401	1689922	647865	16911327	120246234
As at 31.03.2018	22169015	18413479	75906107	1239834	1583819	2105340	486072	14839597	136743263
Capital Work-in-Progress:									
As at 31.03.2017	-	-	145923	-	-	-	-	-	145923
As at 31.03.2018	-	-	725547	-	-	-	-	-	725547

Note 2

Other Intangible Assets

(Rs)

Particulars	Computer software	Total
Gross Block:		
<i>At cost or fair value as at 31.03.2017</i>	<b>772100</b>	<b>772100</b>
<i>Additions</i>	-	-
Amortisation Block:		
<i>Accumulated Amortisation and impairment as at the 31.03.2017</i>	<b>772099</b>	<b>772099</b>
<i>Amortisation for the period</i>	-	-
<i>Accumulated Amortisation and impairment as at the 31.03.2018</i>	<b>772099</b>	<b>772099</b>
Net Block:		
<i>As at 31.03.2017</i>	<b>1</b>	<b>1</b>
<i>As at 31.03.2018</i>	<b>1</b>	<b>1</b>
Intangible Assets under Development		
<i>As at 31.03.2017</i>	-	-
<i>As at 31.03.2018</i>	-	-







**Note 3**

**Financial Assets - Non-Current Investments**

Name of the Body Corporate	Subsidiaries / Associates / Joint Ventures / Structured Entities / Others	No. of Shares and Face Value of Shares				Quoted / Unquoted	Partly Paid / Fully Paid	Amount (Rs)		Measured as at Cost / Amortised Cost / FVOCI / FVPL	Impairment loss
		31.03.2018		31.03.2017				31.03.2018	31.03.2017		
		Nos.	Face Value	Nos.	Face Value						
Investments in Equity Instruments											
'Akzo Nobel India Ltd'	Others	50	10	50	10	Quoted	Fully paid	2688	2688		Not Applicable
'Asian Paints Ltd'	Others	3840	1	3840	1	Quoted	Fully paid	12742	12742		
'Bakelite Hyliam Ltd'	Others	50	10	50	10	Quoted	Fully paid	2912	2912		
'Baroda Rayon Corporation Ltd'	Others	5	10	5	10	Quoted	Fully paid	2875	2875		
'Bayer CropScience Ltd'	Others	50	10	50	10	Quoted	Fully paid	4175	4175		
'Camphor & Allied Products Ltd'	Others	70	10	70	10	Quoted	Fully paid	4175	4175		
'Century Enka Ltd'	Others	50	10	50	10	Quoted	Fully paid	13500	13500		
'Forbes & Co Ltd'	Others	50	10	50	10	Quoted	Fully paid	12250	12250		
'Gujarat Carbon & Industries Ltd'	Others	50	10	50	10	Quoted	Fully paid	2787	2787		
'J K Synthetics Ltd'	Others	15	10	15	10	Quoted	Fully paid	5050	5050		
'Nirton Ltd'	Others	50	10	50	10	Quoted	Fully paid	1088	1088		
'NOCIL'	Others	100	10	100	10	Quoted	Fully paid	6825	6825		
'Philips Carbon Black Ltd'	Others	50	10	50	10	Quoted	Fully paid	1775	1775		
'SRF Ltd'	Others	50	10	50	10	Quoted	Fully paid	1725	1725		
'Synthetics & Chemicals Ltd'	Others	50	10	50	10	Quoted	Fully paid	2562	2562		
'Tata Steel Ltd'	Others	20	10	20	10	Quoted	Fully paid	11700	11700		
Total								88829	88829		
Equity Investment - Ind AS	Others							4939878	4598276		
Total (Including Fair value)								5028707	4687105	FVPL	

Note 3

Financial Assets - Current Investments

Name of the Body Corporate	Subsidiaries / Associates / Joint Ventures / Structured Entities / Others	No. of Units and Face Value				Quoted / Unquoted	Partly Paid / Fully paid	Amount (Rs)		Measured at Cost / Amortised Cost / FVOCI / FVPL	Impairment loss
		31.03.2018		31.03.2017				31.03.2018	31.03.2017		
		Units.	Face Value	Units.	Face Value						
Investments in Mutual Funds											
-UTI-ST Income Fund Ins(G)		1041987.558	10.00	295705.761	10.00	Quoted		20000000	5000000		
-Birla SL-FRF Long Term Reg. (G)		110652.050	100.00	64357.643	100.00	Quoted		22369875	10000000		
-Birla Sun Life Dynamic Bond Fund(G)		611777.387	10.00	611777.387	10.00	Quoted		15000000	15000000		
-L&T Income Opportunities Fund		866462.620	10.00	878818.750	10.00	Quoted		16068828	15000000		
-ICICI Prudential Mutual Fund Collection 1 AC		579995.940	10.00	579995.940	10.00	Quoted		10000000	10000000		
-HDFC High Int Fund-STP-Post IPO coll		318527.622	10.00	167285.623	10.00	Quoted		10000000	5000000		
-HDFC Short Term Plan		646269.419	10.00	646269.419	10.00	Quoted		20000000	20000000		
-Reliance Regular Savings Fund-Debt		218921.850	10.00	-	-	Quoted		5000000	-		
-L&T Resurgent India Corporate Bond Fund		1212326.280	10.00	-	-	Quoted		15000000	-		
-Reliance Corporate Bond Fund		729713.950	10.00	-	-	Quoted		10000000	-		
-ICICI Short Term Fund		282112.117	10.00	-	-	Quoted		10000000	-		
-HDFC Banking And Psu Debt Fund Collection A/c		720424.762	10.00	-	-	Quoted		10000000	-		
-Aditya Birla Sun Life Corporate Bond Fund		788388.610	10.00	-	-	Quoted		10000000	-		
-Reliance Money Manager Fund		4226.820	1000.00	-	-	Quoted		10000000	-		
Total								183438703	80000000		
Mutual Fund Investments - Ind AS								13652107	9347349		
Total (Including Fair value)								1970990810	89347349	FVPL	

Not Applicable

AK



**Note 4****Loans****(Rs)**

Loans	Non-Current		Current	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
<b>Loans to Employees:</b>				
Secured, considered good	640300	1893800		-
<b>Total</b>	<b>640300</b>	<b>1893800</b>		-

**Note 5****Other Financial Assets****(Rs)**

Particulars	Non-Current		Current	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Bank deposits with more than 12 months maturity	400000	-		-
Deferred Staff Cost - IND AS	-	-	(196000)	614000
<b>Total</b>	<b>400000</b>	-	<b>(196000)</b>	<b>614000</b>

**Note 6****Other Assets (Non-Current / Current)****(Rs)**

Other Assets	Non-Current		Current	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
<b>(i) Capital Advances</b>	1961303	1860662	280412	1920662
<b>(ii) Advances other than capital advances:</b>				
Security Deposits(Electricity & Others)	450292	210487	-	-
<b>(iii) Others</b>				
(i) Advances - Sales Tax	-	-	230298	2145398
(ii) Advance with Excise Authorities	-	-	-	20676981
(iii) Advances - Employees	-	-	951405	299154
(iv) Advances - Raw materials	-	-	4253798	994658
(v) Advances - Rent	-	-	5694800	5876700
(vi) Prepaid Insurance	-	-	2338781	2976916
(vii) Other Advances	-	-	1158546	312748
<b>Total</b>	<b>2411595</b>	<b>2071149</b>	<b>14908040</b>	<b>35203217</b>

**Note 7****Inventories****(Rs)**

Particulars	31.03.2018	31.03.2017
(i) Raw materials		
- in possession	89628570	102094674
(ii) Work-in-progress	2138386	5737418
(iii) Finished goods		
- in possession	173886348	191142583
(iv) Stock-in-trade (in respect of goods acquired for trading)		
- in possession	25501106	18673445
(v) Stores and spares		
- in possession	145348	66002
(vi) Production consumables		
- in possession	1805482	1510265
(vii) Fuel		
- in possession	159196	269995
(viii) Engineering consumables		
- in possession	133408	105692
<b>Total</b>	<b>293397844</b>	<b>319600074</b>

**Note 8****Trade Receivables****(Rs)**

Particulars	31.03.2018	31.03.2017
	<b>Amount</b>	<b>Amount</b>
<b>Current trade receivables:</b>		
Unsecured, considered good	138312306	83093844
Unsecured, considered doubtful	3194928	2252713
<b>Less: Provision for doubtful debts</b>	<b>(3194928)</b>	<b>(2252713)</b>
<b>Total</b>	<b>138312306</b>	<b>83093844</b>

**Note 9****Cash and Cash Equivalents****(Rs)**

Particulars	31.03.2018	31.03.2017
	<b>Amount</b>	<b>Amount</b>
(i) Cheques, drafts on hand	23984139	8336793
(ii) Cash on hand	146146	114952
(iii) Balance at Bank (In Current Account)	10278644	50671632
(iv) Funds in Transit (In Collection account)	3855659	1419977
(v) Imprest account	147500	168500
<b>Total</b>	<b>38412088</b>	<b>60711854</b>



**Note 10****Deferred Tax Liabilities / (Assets) - Net****(Rs.)**

Particulars	31.03.2018	31.03.2017
<b>(i) Deferred Tax Assets</b>		
-Deductible Temporary Difference:		
-Expenses allowable on payment basis	(1878175)	(176677)
-Intangible Assets	(766)	(1915)
<b>(ii) Deferred Tax Liabilities</b>		
-Taxable Temporary Difference:		
-Property, Plant&Equipment, Intangible Assets	10100940	8502011
<b>Total</b>	<b>8221999</b>	<b>8323419</b>

**Note 11****Trade Payables****(Rs.)**

Particulars	31.03.2018	31.03.2017
Payables within next 12 months	178772693	175154895
<b>Total</b>	<b>178772693</b>	<b>175154895</b>

**Note 12****Financial Liabilities - Other Financial Liabilities****(Rs)**

Particulars	Current	
	31.03.2018	31.03.2017
(i) Liabilities for Expenses	(185899)	212920
(ii) Payables - Employee Benefits	244021	687632
(iii) Other Liabilities	15951623	14968119
<b>Total</b>	<b>16009745</b>	<b>15868671</b>

**Note 13****Other Current Liabilities**

(Rs.)

Particulars	Current	
	31.03.2018	31.03.2017
(i) Excise Duty payable	-	17996171
(ii) GST / Sales Tax payable	(1535510)	18768623
(iii) TDS payable	1925431	1818470
(iv) Advances from Customers	13483388	13808733
(v) Other Liabilities	62657	23321
<b>Total</b>	<b>13935966</b>	<b>52415318</b>

**Note 14****Provisions**

(Rs.)

Particulars	Current	
	31.03.2018	31.03.2017
Provision for employee benefits	(1034554)	7367903
<b>Total</b>	<b>(1034554)</b>	<b>7367903</b>

**Note 15****Current Tax Liabilities-Net**

Particulars	Current	
	31.03.2018	31.03.2017
Income Tax payable(Net of Adv. Tax / TDS)	16165107	8359198
<b>Total</b>	<b>16165107</b>	<b>8359198</b>



**Note 16****Revenue from Operations****(Rs.)**

<b>Particulars</b>	<b>31.03.2018</b>	<b>31.03.2017</b>
Sale Of Products (Including Excise Duty)	1776667939	1731383183
<u>Other Operating Revenues:</u>		
- Scrap Sales	3043125	2123502
<b>Total</b>	<b>1779711064</b>	<b>1733506685</b>

**Note 17****Other Income****(Rs.)**

<b>Particulars</b>	<b>31.03.2018</b>	<b>31.03.2017</b>
(i) Gain on Investments	8085063	14503821
(ii) Staff Loan - IND AS Adj.	196000	315000
(iii) Interest on Deposits	-	72727
(iv) Dividend Income	43182	36723
(v) Profit on Sale of Assets	595397	329574
(vi) Insurance Claims	584256	45556
(vii) Miscellaneous Income	709748	373122
(viii) Bad Debts writtten back	144634	-
<b>Total</b>	<b>10358280</b>	<b>15676523</b>

**Note 18****Cost of Materials consumed****(Rs.)**

<b>Particulars</b>	<b>31.03.2018</b>	<b>31.03.2017</b>
Opening Stock of Raw Materials	102094674	79337326
<b>Add:</b> Purchases during the period	932666152	942981142
<b>Less;</b> Closing Stock of Raw Materials	89628570	102094674
<b>Total</b>	<b>945132256</b>	<b>920223794</b>

**Note 19****Changes in inventories of finished goods, stock-in-trade and work-in-process****(Rs.)**

<b>Particulars</b>	<b>31.03.2018</b>	<b>31.03.2017</b>
<b>A. Stock-in-Trade</b>		
Opening Stock of Stock-in-Trade	18673445	14915767
Closing Stock of Stock-in-Trade	25501106	18673445
<b>B. Work-in-Process</b>		
Opening Work-in-Process	5737418	1885475
Closing Work-in-Process	2138386	5737418
<b>C. Finished Goods</b>		
Opening Stock of Finished Goods	191142583	140148524
Closing Stock of Finished Goods	173886348	191142583
<b>Total</b>	<b>14027606</b>	<b>(58603680)</b>

**Note 20****Employee Benefits Expense****(Rs.)**

Particulars	31.03.2018	31.03.2017
Salaries and Wages	125304019	123272590
Contribution to provident and other funds	9373100	7618676
Staff welfare expenses	10021822	10924105
<b>Total</b>	<b>144698941</b>	<b>141815371</b>

**Note 21****Finance Costs****(Rs.)**

Particulars	31.03.2018	31.03.2017
Interest	30547	835
Discounting Loss - MRF Loan	-	6327257
<b>Total</b>	<b>30547</b>	<b>6328092</b>

**Note 22****Other Expenses****(Rs.)**

Particulars	31.03.2018	31.03.2017
Stores and Spares Consumed	10592264	7072113
Power and Fuel	2092392	2363983
Processing Expenses	35846820	33937418
Rent	19861631	20025689
Rates and Taxes	2698139	3802974
Insurance	3500068	1595549
Printing and Stationery	2287967	1916448
Repairs & Maintenance - Building	402099	515538
Repairs & Maintenance - Plant and Machinery	1180547	2221639
Repairs & Maintenance - Other Assets	1953541	1893485
Travelling & Conveyance	12465971	10558344
Communication Expenses	2922428	2978282
Vehicle Expenses	3075618	2225055
<u>Auditor's Remuneration:</u>		
(i) For audit	100000	115000
(ii) For taxation matters	25000	28750
(iii) For reimbursement of expenses	125000	134900
Advertisement	86188723	81653970
Sales Tax absorbed	391324	148312
Bad Debts written off	1086849	279177
Commission & Discount	62086906	58016284
Freight and Forwarding	95355522	87531492
Net Loss / (Gain) on Foreign Currency transactions	-	501
Miscellaneous Expenses	53845637	51557949
Bank Charges	691830	589039
<b>Total</b>	<b>398776276</b>	<b>371161891</b>

**Note 23****Tax Expense****(Rs.)**

Particulars	31.03.2018	31.03.2017
Current Tax relating to current reporting period	80000000	55000000
Deferred Tax- Ind AS Adjustments	-	3392778
Deferred Tax relating to previous period	(101420)	(1147662)
<b>Total</b>	<b>79898580</b>	<b>57245116</b>



Note 24

Other Comprehensive Income

Items of OCI	2018			2017		
	Gain / Loss	OCI before Tax as presented in the Statement of Profit and Loss	OCI for the period	Gain / Loss	OCI before Tax as presented in the Statement of Profit and Loss	OCI for the period
(a) Remeasurements of Defined benefit plans	3467080	3467080	3467080	3865606	3865606	3865606
<b>Total Other Comprehensive Income</b>	3467080	3467080	3467080	3865606	3865606	3865606

4

✱