

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MRF INTERNATIONAL LIMITED

1. Opinion

We have audited the Separate financial statements (also known as Standalone Financial Statements) of MRF International Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, and amended and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March, 2019, and its profit(financial performance including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

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

3. Key Audit Matters

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



We have determined that there are no key audit matters to communicate in our report.

4. Information Other than the Standalone financial statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, 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.

5. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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



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

6. Auditor's Responsibility for the audit of the Standalone financial statements

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

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

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

7. Report on Other Legal and Regulatory Requirements

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 A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 B". 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:
- h) There are no pending litigations which will have an impact on its financial position in its financial statements as at the end of the year;
 - i) There are no long-term contracts including derivative contracts and hence no provision is required under the applicable laws or accounting standards for any material foreseeable losses.
 - j) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For SCA AND ASSOCIATES
Chartered Accountants
Firm Reg.No.101174W


Shivratn Agarwal
Partner
Mem.No.104180



Place: Chennai
Date 2nd May, 2019

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

1. The company had no fixed asset at any time during the year and accordingly Para 3 (i) (a) to (c) of the order are not applicable.
2. The company had not carried any inventories at any time during the year. Accordingly, the Para 3 (ii) of the order are not applicable.
3. The Company has not granted any loans to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the Para 3 (iii) (a) to (c) of the order are not applicable.
4. The Company has not granted any loan, neither made any investments, nor given any guarantee or security, during the year, covered by the provisions of Sections 185 and 186 of the Act.
5. According to the information and explanations given to us, the Company has not accepted any deposit during the year and accordingly the question of complying with Section 73 to 76 of the Act does not arise. We are informed by the management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal on the Company.
6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
7. a) The company is regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales-Tax, Service Tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with appropriate authorities, where applicable. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2019 for a period of more than six months from the date they became payable.
b) According to the information and explanations given to us, there are no dues of income tax and other statutory dues which have not been deposited on account of any dispute.
8. The company has not taken any loans from a financial institution, bank or by way of debentures and accordingly Para 3 (viii) of the order is not applicable.
9. The Company has not raised any moneys by way of Initial public offer or further Public offer (Including debt instruments) or by way of Term loans. Accordingly Para 3 (ix) of the order is not applicable.
10. On the basis of our examination and according to the information and explanations given to us, no fraud by the Company or any fraud on the company by its officers or employees has been noticed or reported during the year.
11. During the year, the company has not paid any managerial remuneration requiring approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

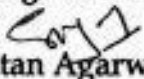


12. The company is not a nidhi Company and accordingly provisions of clause (xii) of Para 3 of the order are not applicable to the Company.
13. On the basis of our examination and according to the information and explanations given to us, we report that section 177 of the Act is not applicable to the Company and there are no transactions with the related parties during the year.
14. The company has not made any preferential allotment or private placement of share or fully or partly convertible debentures during the year and accordingly provisions of clause (xiv) of Para 3 of the Order are not applicable to the Company.
15. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly provisions of clause (xv) of Para 3 of the Order are not applicable to the company.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, provisions clause (xvi) of Para 3 of the Order are not applicable to the Company.

For SCA AND ASSOCIATES

Chartered Accountants

Firm Reg.No.101174W


Shivratn Agarwal

Partner

Mem.No.104180

Place: Chennai

Date 2nd May, 2019



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

1. 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 INTERNATIONAL LIMITED ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

2. MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

3. AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls 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") issued by Institute of Chartered accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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.



4. 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

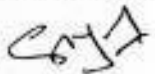
5. INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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.

6. OPINION

In our opinion, 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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For SCA AND ASSOCIATES
Chartered Accountants
Firm Reg.No.101174W


Shivratn Agarwal
Partner
Mem.No.104180

Place: Chennai
Date 2nd May, 2019



MRF INTERNATIONAL LIMITED
BALANCE SHEET AS AT 31 MARCH 2019

(Rupees)

| Particulars | Note | As as 31 March 2019 | As as 31 March 2018 |
|-------------------------------------|------|------------------------|------------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Financial Assets | | | |
| Other financial assets | 2 | 2,21,22,310 | 2,20,00,000 |
| Current Assets | | | |
| Financial Assets | | | |
| Cash and cash Equivalents | 3 | 13,85,983 | 4,50,754 |
| Other financial assets | 2 | 53,910 | 1,49,219 |
| Current Tax Assets (Net) | | 8,256 | — |
| TOTAL ASSETS | | 2,35,70,459 | 2,25,99,973 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | SOCE | 56,25,000 | 56,25,000 |
| Other Equity | SOCE | 1,79,21,859 | 1,68,89,553 |
| Total Equity | | 2,35,46,859 | 2,25,14,553 |
| Liabilities | | | |
| Current Liabilities | | | |
| Other Current Liabilities | 4 | 23,600 | 46,600 |
| Current Tax Liabilities (Net) | | — | 38,820 |
| Total Liabilities | | 23,600 | 85,420 |
| TOTAL EQUITY AND LIABILITIES | | 2,35,70,459 | 2,25,99,973 |

Significant Accounting Policies

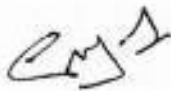
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The Notes are an integral part of these financial statements

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

For SCA and Associates

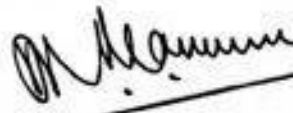
Chartered Accountants



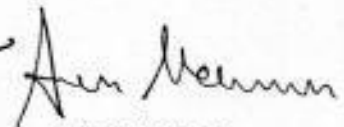
(Shivratn Agarwal)
Partner

Place: Chennai

Date: 02.05.2019

K.M. Mammen
Director
DIN: 00020202



Arun Mammen
Director
DIN: 00018558

MRF INTERNATIONAL LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

(Rupees)

| Particulars | Year Ended 31 March 2019 | Period ended 31 March 2018 |
|--|-----------------------------|-------------------------------|
| INCOME | | |
| Revenue from contract with customers | - | - |
| Other Income - Interest Income | 14,23,809 | 12,88,834 |
| TOTAL INCOME | 14,23,809 | 12,88,834 |
| EXPENSES | | |
| Other Expenses | | |
| - Audit fee | 24,200 | 23,600 |
| - Filing Fees | 600 | 5,400 |
| - Legal & Professional Charges | 5,000 | 5,885 |
| - Other expenses | 1,180 | 649 |
| TOTAL EXPENSES | 30,980 | 35,534 |
| PROFIT / LOSS BEFORE TAX | 13,92,829 | 12,53,300 |
| TAX EXPENSE | | |
| Current Tax | | |
| - Current Tax relating to current reporting period | 3,60,523 | 3,24,297 |
| TOTAL TAX EXPENSE | 3,60,523 | 3,24,297 |
| PROFIT / LOSS FOR THE PERIOD | 10,32,306 | 9,29,003 |
| OTHER COMPREHENSIVE INCOME | | |
| - Items that will not be reclassified to Profit or Loss | - | - |
| - Items that may be reclassified to Profit or Loss | - | - |
| TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 10,32,306 | 9,29,003 |
| EARNINGS PER EQUITY SHARE | | |
| Basic | 1.84 | 1.65 |
| Diluted | 1.84 | 1.65 |

Significant Accounting Policies


Note 1

The 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 SCA and Associates

Chartered Accountants


(Shivratn Agarwal)
Partner
Place: Chennai
Date: 02.05.2019




K.M. Mammen
Director
DIN: 00020202


Arun Mammen
Director
DIN: 00018558

MRF INTERNATIONAL LIMITED

STATEMENT OF CHANGES IN EQUITY (SOCE) FOR THE YEAR ENDED 31ST MARCH 2019

| A. EQUITY SHARE CAPITAL | Numbers | (Rupees) | |
|--|---------|------------------------|------------------------|
| | | As at 31 March 2019 | As at 31 March 2018 |
| Authorised Share Capital | 1000000 | 1,00,00,000 | 1,00,00,000 |
| Issued Share Capital | 562500 | 56,25,000 | 56,25,000 |
| Subscribed Share Capital | 562500 | 56,25,000 | 56,25,000 |
| Fully Paid-up Share Capital | 562500 | 56,25,000 | 56,25,000 |
| Balance at the beginning of the year | 562500 | 56,25,000 | 56,25,000 |
| Changes in equity share capital during the year: | | | |
| Balance at the end of the reporting period | 562500 | 56,25,000 | 56,25,000 |

Rights, preferences and restrictions attaching to each class of shares

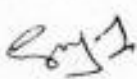
The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. 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 per cent shares | 31.03.2019 | | 31.03.2018 | |
|---|------------|--------|------------|--------|
| | No. | % | No. | % |
| MRF Limited - (Holding Company) | 5,32,470 | 94.66% | 5,32,470 | 94.66% |

| B. OTHER EQUITY | (Rupees) | | |
|--|----------------------------|-------------------|-------------|
| | Capital Redemption Reserve | Retained Earnings | TOTAL |
| Balance at the beginning of the comparative reporting period - 1st April 2017 | 43,75,000 | 1,15,85,550 | 1,59,60,550 |
| Profit for the Comparative Period ending 31st March 2017 | | 9,29,003 | 9,29,003 |
| Other Comprehensive Income for the Comparative Period ending 31st March 2018 | | - | - |
| Total Comprehensive Income for the Comparative Period | | 9,29,003 | 9,29,003 |
| Balance at the end of the comparative reporting period ending 31st March 2018 | 43,75,000 | 1,25,14,553 | 1,68,89,553 |
| Profit for the Current Reporting year ending 31st March 2019 | | 10,32,306 | 10,32,306 |
| Other Comprehensive Income for the Current Reporting year ending 31st March 2019 | | - | - |
| Total Comprehensive Income for the Comparative Period | | 10,32,306 | 10,32,306 |
| Balance at the end of the reporting year ending 31st March 2019 | 43,75,000 | 1,35,46,859 | 1,79,21,859 |

| Nature and Purpose of each component of equity | Nature and Purpose |
|--|--|
| Capital Redemption Reserve | Capital Redemption Reserve represents statutory reserve created upon buyback of equity shares in the earlier years and shall not be reclassified to the Statement of Profit or Loss in the subsequent years. |

The Notes are an integral part of these financial statements
 This is the Statement of Changes in Equity referred to in our report of even date
 For SCA and Associates
 Chartered Accountants


 (Shivratn Agarwal)
 Partner
 Place: Chennai
 Date: 02.08.2019




 K.M.Mammen
 Director
 DIN: 00020202

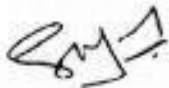

 Arun Mammen
 Director
 DIN: 00018558

MRF INTERNATIONAL LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

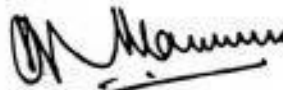
| | Year Ended 31 March 2019 | Year Ended 31 March 2018 |
|--|-----------------------------|--------------------------|
| (Rupees) | | |
| A. CASH FLOW FROM OPERATING ACTIVITIES : | | |
| NET PROFIT BEFORE TAX | 13,92,829 | 12,53,300 |
| Adjustment for : | | |
| Interest | (14,23,809) | (12,88,834) |
| OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES | (30,980) | (35,534) |
| Increase / (decrease) in Trade & Other Payables | (23,000) | 23,600 |
| CASH GENERATED FROM OPERATIONS | (53,980) | (11,934) |
| Direct Taxes paid | 4,07,599 | 2,86,602 |
| NET CASH FROM OPERATING ACTIVITIES | (4,61,579) | (2,98,536) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Fixed Deposit made with Bank (Net) | (1,22,310) | (35,00,000) |
| Interest Income | 15,19,118 | 12,90,165 |
| | 13,96,808 | (22,09,835) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| NET CASH FROM FINANCING ACTIVITIES | - | - |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 9,35,229 | -25,08,371 |
| CASH AND CASH EQUIVALENTS AS AT 31.03.2018 | 4,50,754 | 29,59,125 |
| CASH AND CASH EQUIVALENTS AS AT 31.03.2019 | 13,85,983 | 4,50,754 |

Note: The above Cash Flow Statement has been prepared under the indirect Method

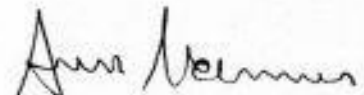
This is the Cash Flow Statement referred to in our attached report of even date
For SCA and Associates
Chartered Accountants



(Shivratn Agarwal)
Partner
Place: Chennai
Date: 02.05.2019

K.M. Mammen
Director
DIN: 00020202



Arun Mammen
Director
DIN: 00018558

MRF INTERNATIONAL LIMITED

Note – 1 - Significant Accounting Policies under IND AS

A) General Information

MRF International Limited (the "Company") is an unlisted limited company, incorporated on 23rd October, 1993 in India.

MRF International Limited is a company limited by shares, incorporated and domiciled in India. The company was set up for trading and export of automotive tyres, tubes, rubber products, leather, toys, rubber machinery and other products.

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

The company is a subsidiary of MRF Limited.

B) Basis of preparation of financial statements

i. Statement of Compliance

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

ii. Basis of preparation and presentation

The financial statements have been prepared on historical cost basis considering the applicable provisions of Companies Act 2013 except for material items that have been measured at fair value as required by relevant IND AS, where applicable. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The Financial Statement are presented in INR and all values are stated in 'Rupees' unless otherwise stated.

The financial statements of the Company for the year ended 31st March, 2019 were authorised for issue in accordance with a resolution of the directors on 2nd May, 2019.

iii. Major Sources of Estimation Uncertainty

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

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

Impairment of Financial Assets:

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



value of the security recoverable as on the reporting date. The exposure at default is the amount outstanding at the balance sheet date.

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Fair Value Measurement of Financial Instruments:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

C) Summary of Significant Accounting Policies:

I. Revenue Recognition:

Effective 1st April, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method and the comparative information in the statement of profit and loss is not restated – i.e., the comparative information continues to be reported under Ind AS 18. Refer Note 1(c) – Significant accounting policies – Revenue recognition in the Annual Report of the Company for the year ended 31st March, 2018, for the revenue recognition policy as per Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

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

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

Dividend Income

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

Interest Income

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

II. Taxes on Income:

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

a) Current Tax:

Current tax includes provision for Income Tax computed under Special provision (i.e., Minimum alternate tax) or normal provision of Income Tax Act. Tax on Income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/appeals.



b) Deferred Tax:

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

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

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

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

Minimum Alternate Tax(MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

iii. Foreign Currency Transactions:

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

iv. Share Capital and Share Premium:

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

v. Dividend Distribution to equity shareholders:

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. A distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in other equity along with any tax thereon.

vi. Cash Flows and Cash and Cash Equivalents

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant Accounting Standard. For the purpose of presentation in the statement of cash flows, cash and cash



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

vii. Earnings per Share:

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

viii. Provisions, Contingent Liabilities and Contingent Assets:

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

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

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

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

Contingent Assets are not recognized, however, disclosed in financial statement when inflow of economic benefits is probable.

ix. Current versus non-current classification:

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

a) An asset is current when it is:

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

All other assets are classified as non-current.

b) A liability is current when:

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

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.



x. Fair value measurement:

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

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

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

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

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

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

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

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

xi. Financial Instruments

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

a) Financial Assets

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

Financial assets of the Company comprise cash and cash equivalents and Bank balances.

Initial recognition and measurement

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

Subsequent measurement

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

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



Financial assets measured at amortized cost

Financial assets are measured at amortized cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are amortized using the effective interest rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit or loss in finance costs.

Financial assets at fair value through OCI (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI. Fair value changes are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the income statement. On derecognition of the financial asset other than equity instruments, cumulative gain or loss previously recognised in OCI is reclassified to Profit or Loss.

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

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

Derecognition

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

Impairment of financial assets

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

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

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

- The 12 month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date)
- Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments)



The Company follows 'simplified approach' for recognition of impairment on trade receivables or contract assets resulting from normal business transactions. The application of simplified approach does not require the Company to track changes in credit risk. However, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, from the date of initial recognition. For recognition of impairment loss on other financial assets, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has increased significantly, lifetime ECL is provided. For assessing increase in credit risk and impairment loss, the Company assesses the credit risk characteristics on instrument-by-instrument basis. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the statement of profit and loss.

b) Financial Liabilities

The Company's financial liabilities include loans and borrowings including book overdraft, trade payable, accrued expenses and other payables.

Initial recognition and measurement

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss depending upon the level of fair value.

Subsequent measurement

The subsequent measurement of financial liabilities depends upon the classification as described below:-

Financial Liabilities classified as Amortised Cost:

Financial Liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate. Interest expense that is not capitalised as part of costs of assets is included as Finance costs in the Statement of Profit and Loss.

Financial Liabilities at Fair value through profit and loss (FVTPL)

FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities have not been designated upon initial recognition at FVTPL.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged / cancelled / expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.



c) Derivatives

Derivative instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated. The resulting gain or loss is recognized in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument and is recognized in Other Comprehensive Income (OCI). Cash flow hedges shall be reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss.

D) Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA) on 30th March, 2019 through companies (Indian Accounting Standards) Amendment Rules, 2019 has notified the following new IND AS and amendments to IND AS which are applicable on 1st April 2019.

i) Issue of IND AS 116 – Leases

IND AS 116 Leases will replace the existing lease standard, IND AS 17 and related interpretations.

The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the parties to a contract i.e., the lessee and the lessor. It introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months unless the underlying asset is of low value.

ii) Amendments to existing Issued Ind AS

The MCA as also carried out amendments to the following accounting standards :-

- a) Ind AS 12 - Income Taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)
- b) Ind AS 109 - Financial Instruments (prepayment features with negative compensation)
- c) Ind AS 19 - Employee Benefits (plan amendment, curtailment or settlement)
- d) Ind AS 23 - Borrowing Cost
- e) Ind AS 28 - Investments in Associates and Joint Ventures (long term interest in Associates and Joint Ventures)
- f) Ind AS 103 - Business Combinations (Business Combinations and Ind AS 111 – Joint Arrangements)

Adoption of Ind AS Leases and amendments to the above standards (to the extent applicable) are not expected to have a significant impact on the company's financial statements.



MRF INTERNATIONAL LIMITED

Notes to the financial statement as at 31st March 2019

Note 2

Other Financial Assets

| Particulars | Non-Current | | Current | |
|---|------------------------|------------------------|---------------------------|------------------------|
| | As at 31 March 2019 | As at 31 March 2018 | As at 31 March 2019 | As at 31 March 2018 |
| Bank deposits with more than 12 months maturity | 2,21,22,310 | 2,20,00,000 | - | - |
| Interest accrued on bank Deposits | - | - | 53,910 | 1,49,219 |
| Total | 2,21,22,310 | 2,20,00,000 | 53,910 | 1,49,219 |

Note 3

Cash and Cash Equivalents

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---------------------|---------------------------|------------------------|
| Balances with Banks | 13,85,983 | 4,50,754 |
| Total | 13,85,983 | 4,50,754 |

Note 4

Other Liabilities

| Particulars | Non-Current | | Current | |
|------------------|------------------------|------------------------|---------------------------|------------------------|
| | As at 31 March 2019 | As at 31 March 2018 | As at 31 March 2019 | As at 31 March 2018 |
| Expenses payable | - | - | 23,600 | 46,600 |
| Total | - | - | 23,600 | 46,600 |



M. Maheshwari

Anil Kumar

MRF INTERNATIONAL LIMITED**Notes to the financial statement as at 31st March 2019****Note - 5 - Earning per Share**

| | Rs. | Previous Period Rs. |
|---|-----------|------------------------|
| Profit for the year | 10,32,306 | 9,29,003 |
| Number of Equity Shares Outstanding as at the end of the year (paid up value of Rs. 10/-) | 562500 | 562500 |
| Basic & diluted EPS | Rs. 1.84 | 1.65 |

Note - 6 - Operating Segment

The company is mainly engaged in the export of traded goods which constitutes one single primary segment. As there are no exports during the year, no segment information is considered necessary.

Note 7 - Disclosure of related parties:

| Name of the related party | Nature of relationship |
|---------------------------|------------------------|
| MRF Limited | Holding Company |
| MRF Corp Ltd | Fellow subsidiary |
| MRF (Lanka) Pvt Ltd | Fellow subsidiary |
| MRF SG Pte. Ltd. | Fellow subsidiary |

The company has not entered into any related party transactions during the year.

Note - 8 - Risk Management

- i) **Capital Management** - Capital Management includes issued equity capital. The primary objective of the company's capital management is to maximise shareholder value. To maintain the capital structure the company may adjust dividend payments to its shareholders.
- ii) **Credit Risk** - Credit Risk from balances with banks and other financial assets is managed in accordance with the Company's policy. Investment of surplus funds are made only with Public Sector Banks to minimise risk.


Note - 9

Previous year's Figures have been regrouped/ rearranged, wherever necessary.

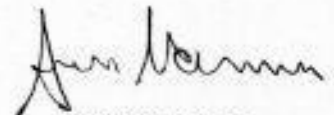
Vide our Report of even date
For SCA and Associates
Chartered Accountants



(Shivratan Agarwal)
Partner
Place: Chennai
Date: 02.05.2019

K.M.Mammen
Director
DIN: 00020202



Arun Mammen
Director
DIN: 00018558